THE FINANCIAL POST

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The Nation's Business

Strikers Hurt Most By Peril They Court

Greater reward for effort is the constant ambition of the entire Canadian population, hence the present demand of striking steel workers is simply expression of what, for North Americans, is a natural urge.

But the demand for higher wages at this time is, first, asking for something which has been expressly prohibited by Dominion government order, and second, seeks to defeat the main purpose of our extensive wartime controls, which is to prevent inflation. And no one has more to lose from inflation than the worker.

The steel strike is a direct threat to our entire wage-and-price ceiling policy. The Barlow report which recommended that basic wage rates at Sydney and Sault Ste. Marie be unchanged except for maintenance workers is a clear-cut legal interpretation of the present government wage ceiling policy. Under that policy there was no alternative. The minority report prepared by King Gordon, formerly a Montreal professor, long associated with left-wing movements and now connected with an American publishing house, brought forth no important arguments to justify the wage increases he urged in the face of avowed and clear-cut government policy.

The most that it might offer the government as a possible "out" in the present impasse is the recommendation that steelworkers be brought under the National War Labor Board instead of under the Regional Boards as is now the case. It is not felt that such a move would alter the fundamentals of the argument. Railways, shipbuilding and coal mines now operate under national jurisdiction.

What clearly seems to be the case is that many workers on Canada's industrial front do not understand or do not accept Canada's wartime wage and price policy, which is designed to help the war effort, to defeat inflation, and protect those who would suffer most from it.

Responsibility for the strike and for the halt in production of our most basic war material is clearly that of the union. The claims of the workers were put before an inquiry as agreed. When the finding of that inquiry proved the opposite to that desired by the workers, they left their jobs at the instigation of their unions, scorning government provisions for further negotiation.

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MAKE IT MORE THAN A PROMISE

A well-known businessman recently called The Financial Post expressing great concern over the fact that, included in the consolidated revenue account of the government, was the refundable portion of income and corporation taxes.

The question which had immediately arisen in this businessman's mind was this: What guarantee did he or his company have that the refundable portion of present taxes would be returned?

From responsible Ottawa officials The Post is assured that no new policy is in the making and that this situation results solely from current bookkeeping needs.

While the integrity and good intentions of our present finance officials are not questioned, would it not be sound practice and the part of wisdom for the administration to act promptly and provide each income taxpayer who has compulsory savings to his credit with some legal paper promising to repay?

Where does the taxpayer stand if the King government falls and another government says it is not bound by the promises of its predecessor; if it decides to forget about repayment of compulsory savings, and to repudiate the obligation?

Of course, in order not to defeat the anti-inflationary purpose of compulsory savings, it would be necessary to rule that such paper be not transferable to another person and that it be not acceptable as security on loans, debts, etc.

Under the present situation, what the government says is:

"The refundable portion shall be repaid to the taxpayer or to his legal representatives after the cessation of hostilities between Canada and Germany, Italy and Japan, and in the following manner: The refundable portion of the tax in respect of income of 1942 shall be repaid at such times and in such installments as the Governor-in-Council may determine but not later than the end of the second fiscal period of the government commencing after the said cessation of hostilities."

The refundable part of 1943 taxes is similarly to be returned three years after hostilities and so on. Interest of 2% is to be paid.

Another point not cleared up is this: Under present tax methods every income taxpayer dies in debt to the government. Some of this year's highly paid workers may have reduced incomes next year, making payment of income tax debts almost impossible. What happens in these cases? Will Ottawa seize the compulsory savings credit and apply it to the individual's tax debt?

There has been general acceptance of and approval for Mr. Ilsley's compulsory savings addition to income tax. And taxpayers who have shouldered this war's money burdens so willingly deserve every possible protection and consideration. Thousands of them have only the vaguest idea of how much compulsory savings are accumulating to their credit.

The present administration should take every possible means to protect abuse or repudiation of this fund in the future. Giving every taxpayer now an individual specific promise to repay would be an important safeguard.

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NOW IS TIME TO ACT ON FOOD

There is just one thing more important than bullets in this war and that is food. Without an adequate supply of that vital commodity for ourselves and our allies then the fight is hopeless. But while Ottawa has done a great deal to develop an ample supply of munitions, its attitude has been disconcertingly complacent regarding food. Only in the last few weeks has some semblance of a co-ordinated production plan appeared and so far little has been done in assuring that this plan will be carried out.

For over a year farmers have been warning the Dominion government that they were running desperately short of help. Yet the drain of young men and women from the countryside to the armed forces and urban munition plants has been allowed to continue until farms are almost completely denuded. That drain has now been officially blocked but as statements from competent farm observers on page 3 of this issue indicate, the move came far too late to prevent serious injury.

To assure even a moderate food supply for our civilian population and our armed forces at home, and to fulfill our export quotas to Great Britain, skilled labor must be diverted back to the farms, and at once.

Bacon, butter, eggs, cheese, beef and milk do not just grow on the farm of their own accord. These foods are manufactured on the farm, from hay, grain and other raw materials, through the medium of livestock. Labor is required every day in the year in this manufacturing.

If we sit around and merely talk about the farm labor shortage until seeding is ready to start next spring, then it will be too late to avert a food shortage. We can avoid that calamity, but we must act at once.

Marine Rate Cut Means Big Saving

Insurance Surcharge Which Cost Canada $100 Millions is Reduced 50%

By KENNETH R. WILSON

OTTAWA.—Overlooked except by a few officials was the $50 millions New Year's gift to Canadian taxpayers which arrived last week via a 20-line press dispatch from New York.

This stated that marine underwriters had announced "further reductions in coastwise and offshore war risk insurance rates."

According to best information available, these reductions will cut the cost of subsidizing crude oil imports into Canada by not less than $50 millions a year.

Under the insurance surcharge which existed prior to the new rate, the Commodity Prices Stabilization Corp. which had been charged with subsidizing the movement of crude oil into Canada by tanker along the Atlantic coast was piling up a taxpayer debit of something over $100 millions a year.

The new rates cut the previous surcharge almost in half.

Under a W.P.T.B. order of last summer the Stabilization Corp. was required to pay subsidies to absorb the increase in basic war risk insurance rates which had taken place on or after January, 1942. The first important increase was a 225% surcharge which came into effect last April. Subsequently as sinkings increased along the Atlantic seaboard the surcharge was increased to the staggering figure of 780 to 800%.

The cost of the original subsidy was placed at about $30 millions. The cost under the higher surcharge was something over $100 millions. Part of this was chargeable to the Department of Munitions and Supply for oil and gasoline used for war purposes. Most of the remainder was for domestic consumption. There was also a refund to the corporation in respect of oil and gasoline subsequently exported.

It now appears that the new surcharge rate of 400% will reduce the subsidy (on an annual basis) to something in the neighborhood of $50 millions thus saving the taxpayers almost a like amount.

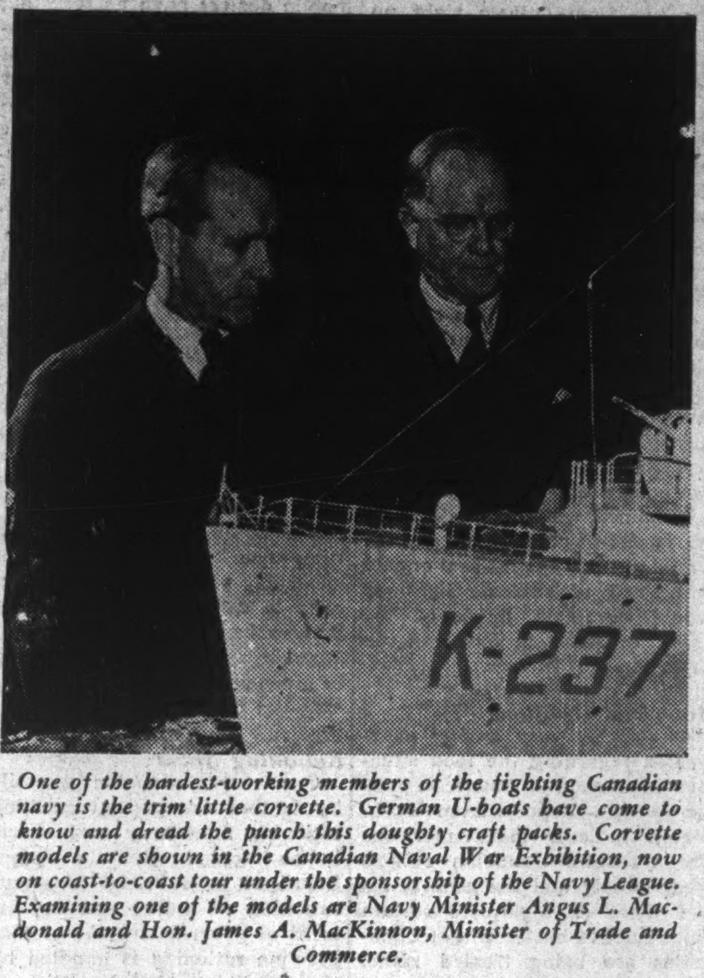
Nicholson Quits Timber Control

By STAFF WRITER

OTTAWA.—Allan S. Nicholson has resigned from Canada's Timber Control after two and a half years of intensive effort in this department. His resignation has been tendered to Hon. C. D. Howe, The Financial Post is informed.

The resignation is apparently a sequence to the departmental shuffle announced on Nov. 4 whereby Allan Williamson took over the job of Timber Controller from Mr. Nicholson, who took the post of Associate Controller. Mr. Williamson is also Rubber Controller and vice-chairman of the Wartime Industries Control Board.

Trade Follows the Fleet



One of the hardest-working members of the fighting Canadian navy is the trim little corvette. German U-boats have come to know and dread the punch this doughty craft packs. Corvette models are shown in the Canadian Naval War Exhibition, now on coast-to-coast tour under the sponsorship of the Navy League. Examining one of the models are Navy Minister Angus L. Macdonald and Hon. James A. MacKinnon, Minister of Trade and Commerce.

Extradition Revision Being Considered

As Proposed Treaty Stands, It Would Place Big Difficulties in Way of Legitimate Securities Business

By STAFF WRITER

OTTAWA.—Although no official representations have yet been made to the United States, it is considered certain that important revisions will be made to the extradition treaty to meet representations made to Ottawa in recent weeks. Revisions to the treaty are now under consideration to the Department of Justice.

When the treaty was drafted its implications for legitimate security business between the two countries were not realized. There is no argument here that many of the objections made are well founded, for example, one glaring instance was the inability of a Canadian child living in the United States to send $4 to Canada and be sent a war savings certificate without breaking the proposed law.

No proper distinction is made between sound and constructive business and bad racketeering business in the innocent-sounding but far-reaching "Treaty for the Extradition of Criminals," concluded between Canada and the United States on April 29, shortly to come before Parliament for ratification. This is the conclusion of responsible bond and share dealers who are now asking Ottawa for its reconsideration and amendment.

If only those guilty of burglary, forgery, extortion, etc., were regarded as criminals, the situation would not be regarded as serious, it is pointed out. But should the new extradition treaty be approved in its present form, any Canadian security dealer who should enfringe the regulations of the S. E. C. at Washington, or any of the securities of the 48 States, would automatically be a "Criminal"—and liable for extradition.

All Parties Against It

This situation, which affects transactions in high-grade securities as well as promotional issues, of all kinds and under all kinds of auspices is viewed so seriously by security dealers across Canada that all Canadian stock exchanges, the Investment Dealers' Association, the Ontario Securities Dealers Association and the Oil Dealers Association of Western Canada, have all either made representations to Dominion authorities or plan to do so.

Previously, it has been a principle of extradition legislation between Canada and the United States that extradition should be granted only in cases where the crime committed in the country requesting extradition would also be a crime in the country from which extradition is sought. If the new treaty goes through this will no longer be the case. The new law would extend beyond the borders of the U. S. and beyond the borders of each individual state the effect of laws made therein to a foreign country—in this case Canada.

Many People Liable

It is pointed out that a Canadian investment dealer could conceivably be extradited to the United States for allowing an individual south of

(Continued on page 2, col. 1)

Utility Deal In Manitoba Marks Time

Bracken Shift Delays Negotiations For Winnipeg Electric Co. Properties

By JOHN E. LANGDON

MONTREAL. — Resignation of John Bracken as premier of Manitoba, has set back negotiations designed to bring about a sale of the power properties of Winnipeg Electric Co. to the provincial government.

Strongly renewed market interest in the capital stocks of the company in recent weeks has given rise to the belief that sales plans were well advanced. Inquiry in official quarters failed to elicit any support for this belief.

Negotiations with the provincial government were proceeding slowly but satisfactorily prior to the Winnipeg convention of the Conservative party. Mr. Bracken was keenly interested in extending Manitoba's electrification programme and to that end was interested in acquiring control of Winnipeg Electric power plants. With his retirement from the Manitoba political field, negotiations will have to be restudied with the new premier—Hon. Stuart Garson.

Another report current is that steps may be taken by the company to pay off the outstanding contingent certificates. This obligation, which now stands on the books at $1,560,738 was incurred at the time of the 1935 reorganization when the certificates were issued to holders of the general mortgage series A bonds. Under the plan the company cannot pay a dividend on the capital stock as long as any of the certificates are outstanding.

At the end of 1941 Winnipeg Electric Co. revealed working capital of nearly $1.9 million. In addition it had $2 millions of sundry investments, including Dominion of Canada War Loan and Victory Bonds. Consequently it is in a position to pay off this obligation if it so desires.

Ottawa Meeting To Clear Lumber Differences

Special Correspondence

WASHINGTON.—Canada's embargo on the shipment of logs from British Columbia will be discussed at a meeting of the U. S.-Canada Materials Co-ordinating Committee to be held in Ottawa Jan. 21. This will be attended by William L. Batt of the WPB high command and chairman of the U. S.-Britain Joint Raw Materials Board, and Howard C. Sykes.

The question of B. C. log exports has been a subject for exchanges between Ottawa and Washington since late summer. Recent negotiations in Ottawa and Washington, in which Timber Controller Allan Williamson was involved, resulted in an agreement for release of some logs for pulp purposes. The U. S. seeks the right to import 15 million ft. of other logs once a month for three months. Canada has not yet conceded this.

How Modified CMP Works in Canada

Manufacturers of Dominion Will Get Same Access to Raw Materials as Those in U. S., Says Washington; Methods of Procedure Clarified

By ROBERT T. ELSON

WASHINGTON.—Canadian manufacturers will be given equal access with those in the United States to raw materials and fabricated parts, under terms of a new simplified procedure for handling Canadian requirements under the Controlled Materials Plan.

This plan, which will determine allocation of critical materials, will go into effect in the second quarter this year.

The procedure by which Canadian requirements under C.M.P. are handled differs from that which will apply in the United States. But the treatment given Canadian manufacturers will be the same as that given American firms.

Assurance is given Canadian requirements will not be curtailed to meet American demands. If curtailments are necessary they will apply equally on both sides of the border.

Moreover the simplified procedure will no way throw out of alignment present relations of the Canadian manufacturer with the Department of Munitions and Supply in Ottawa. As a Canadian manufacturer, he will deal with M. and S. much as he did before. Officials on Mr. Howe's staff, will work, in turn, through and with the Canadian section of the War Production Board, which has offices in Ottawa.

Ends Uncertainties

All this is important news for Canadian business, ending as it does uncertainties and worry concerning the possible effect of the Controlled Materials Plan on the operations of Canadian war industry.

Here is the way the new system will work:—

In the second quarter when C.M.P. goes into effect Canadian requirements will be estimated and appraised on the basis of the Canadian production programme which was submitted when Canada joined the Combined Production and Resources Board, of which United States and Britain are also members.

Applications for such materials will be submitted on a modified company form and transmitted to the Department of Munitions and Supply, which will later send them to Washington through the Canadian section of the War Production Board.

In the third quarter the procedure will be modified slightly. The overall basis for estimating Canadian requirements will, in effect, be about the same.

Statement of Requirements

However, in this third quarter and thereafter, in respect to fabricated products and components, Canada will present a statement of Canadian requirements. This will go to the various industry divisions of W.P.B. in Washington and will be returned with allotments to the Department of Munitions and Supply when the programme has been determined.

In the case of controlled materials aggregate Canadian requirements, including Canadian production together with data regarding facilities, etc., will be transmitted through the Canadian division to Washington.

These estimates will be prepared by months and projected 12 months into the future.

Canadian requirements will be analyzed by the programme vice-chairman here with the advice of the various agencies such as army, navy, etc. The requirements committee of W.P.B. will then determine the allotment, authorize preference ratings which will be transmitted to the Canadian Division of W.P.B. in Ottawa for appropriate issuance with advice of Munitions and Supply. Allotment numbers for controlled materials, to be imported as such, may be issued to Canadian manufacturers as directed by Munitions and Supply. Procurement of controlled materials in the form of manufactured products will be subject to the same administrative procedures that govern distribution in the United States.

M. C. M. P. for Canada Simpler Than For U. S.

By STAFF WRITER

OTTAWA.—Canada's new Modified Controlled Materials Plan for industrial priorities will go into effect in the second quarter of 1943. Deadline for completing the new Canadian forms is Feb. 10.

The new M.C.M.P. will replace present P.R.P. forms and is intended to bridge the transition period while Canada and the U. S. swing from P.R.P. to a full-fledged "vertical" allocation system.

The new Canadian procedure and M.C.M.P. forms (PB-1005) are different and much simpler than those evolved under C.M.P. in the United States.

They are designed to suit Canadian import needs and bridge, for Canada, the gap between operation of two entirely different allocation programmes. They are still on what is called a "horizontal" basis whereas the final and third quarter programme will probably be on a "vertical" basis.

More Firms Affected

M.C.M.P. will apply to all Canadian manufacturers and consumers whose anticipated imports of critical metals or articles containing such metals from the United States, reach or exceed $2,500 during the current or next succeeding quarter. The yardstick for application of P.R.P. was a quarterly consumption at the mill of $5,000 or more of such critical materials. Thus M.C.M.P. will cover a considerably larger number of manufacturers and consumers of critical materials than did P.R.P.

Canadian applications under P.R.P. have numbered about 1,300 representing over 1,000 industrial firms. This covered 85 to 90% of metal consumed in Canada by manufacturing firms, it is estimated.

The new plan is expected to include a much larger number of firms since there are, in all, some 9,000 firms in Canada reported as using these critical metals.

Procedure Explained

Each Canadian manufacturer, public utility, basic producer, etc., must determine the total dollar purchase value of his anticipated imports of metals or articles containing metals. This figure will be made up of a firm's own direct imports plus those received from a Canadian agent or distributor which in turn are imported from the United States and which are not physically changed, after importation, by such an agent.

Consumers importing less than $2,500 quarterly and distributors should continue to operate under their present priority procedures.

Regional office chiefs of the Priorities Branch were at Ottawa at the week end to discuss the new forms so as to be able to assist manufacturers in meeting the new programme.

New Task for War Finance

Must Now Slow Sales by Bond Purchasers

By STAFF WRITER

OTTAWA.—A challenging fact is clouding the record of achievement announced by Hon J. L. Ilsley, in the final totals for Canada's Third Victory Loan. That is that Victory Bonds and War Savings Certificates aren't staying sold.

Mr. Ilsley places Third Loan subscriptions at $991.5 millions. This is 32% gain over the objective of $750 millions.

It compares with $843 millions in the Second Victory Loan. At that time there was an oversubscription (apart from conversions) of 40% over the objective of $600 millions.

But out of the National War Finance Committee headquarters last week came figures about what had happened to the bonds sold in the Second Victory Loan campaign.

Since it was floated in Feb., 1942, no less than 339,000 individual $50 and $100 bonds had been cashed in by their original purchasers.

In the peak month (October) these were coming back to the government at the rate of 78,000 bonds a month—over 3,000 every working day.

Small Bonds Cashed

Out of the 339,000 bonds which had been cashed up till the end of November, 268,000 were $50 denomination and 71,000 were $100 bonds.

The $50 bonds that were turned in for cash, represented no less than 24% of the total number of $50 bonds sold during the Second Victory Loan campaign.

In the Second Victory Loan, 747,000 $100 bonds were sold. By the end of November, 71,000 or about 9.5% of them had been turned in at Canadian banks by the original purchaser.

Here is the record of bonds that were cashed, month by month after the loan was floated in Feb., 1942:

Second Victory Loan Bonds Sold by Public to Banks

(a) By Months:

1942	No. of Bonds $50	No. of Bonds $100
March	2,714	1,414
April	10,665	4,756
May	14,512	5,978
June	19,461	7,222
July	26,809	8,449
August	40,646	10,882
September	51,193	11,723
October	65,108	12,792
November	36,812	7,825
Total	267,920	70,841

(b) No. of Pieces:

	Original issue	Sale to Banks by Public	%
$50 bonds	1,120,625	267,920	23.91
$100 bonds	746,664	70,841	9.49
Total	1,867,289	338,761	18.14

In terms of dollar value, the amount of the bonds cashed by their purchasers is not large. The actual figure is about $13.4 millions of $50 bonds and $7 millions of $100 bonds.

But one of the most important jobs in modern war finance technique is to tap the earning power of largest possible number of individuals, and withdraw money from the stream of current consumer purchasing power on as broad a base as possible.

In the Third Victory Loan over two million individual subscriptions were reported as compared to 1,681,000 in the Second Victory Loan. This meant a wider distribution among individuals and among wage earners.

But if Third Victory Loan purchasers cash in their bonds on the same or a larger scale than the purchasers of the Second Victory Loan, it will mean that somewhere between 300,000 and 400,000 bonds will be sacrificed by midsummer of next year.

Such a practice if continued or accelerated, would tend to defeat one of the prime purposes of the Victory Loan campaign, the withdrawal of a considerable amount of current earnings from war-inflated purchasing power.

In the Second Victory Loan, the wage-deduction plan netted about $65 millions of bonds distributed among 800,000 workers. In the Third Victory Loan this rose to $90 millions distributued among 1,200,000 wage earners. Since most of these subscriptions are for either $50 or $100 bonds, it is among this group that most of the reselling occurs.

The heavy record of bonds cashed in September and October coincides with the dates on which the majority of bonds sold on wage-deduction or installment plans during the Second Victory Loan would have become fully paid up.

Equally disturbing to the broad picture of Canada's war finance is the record of redemptions of War Savings Certificates.

Figures released at Ottawa disclose that the "crude" percentage of redemptions in relation to the number of certificates being sold each month is more than one-in-three, or 34%.

Put another way, the government is selling just over $6 millions of war savings certificates each month but in each of the past five months over $2 millions of certificates have been redeemed by purchasers who want their money back.

So far, Canada has sold in 24 months of operation, a total of $185 millions of war savings certificates. But redemptions to the end of November, had run considerably over $20 millions or about 13% of the amount of certificates outstanding at that time.

And the problem, equally plainly, lies as close to the door of industry as it does to the National War Finance Committee. It is in payroll savings and deduction plans that most of these losses occur. Thus of $6.2 millions of war savings certificates sold during Nov., 1942, about 70% ($4.2 millions) were sold through payroll savings plans.

Here, plainly is the skeleton in the War Finance Committee closet—the cloud on the horizon of brilliant initial sales achievements.

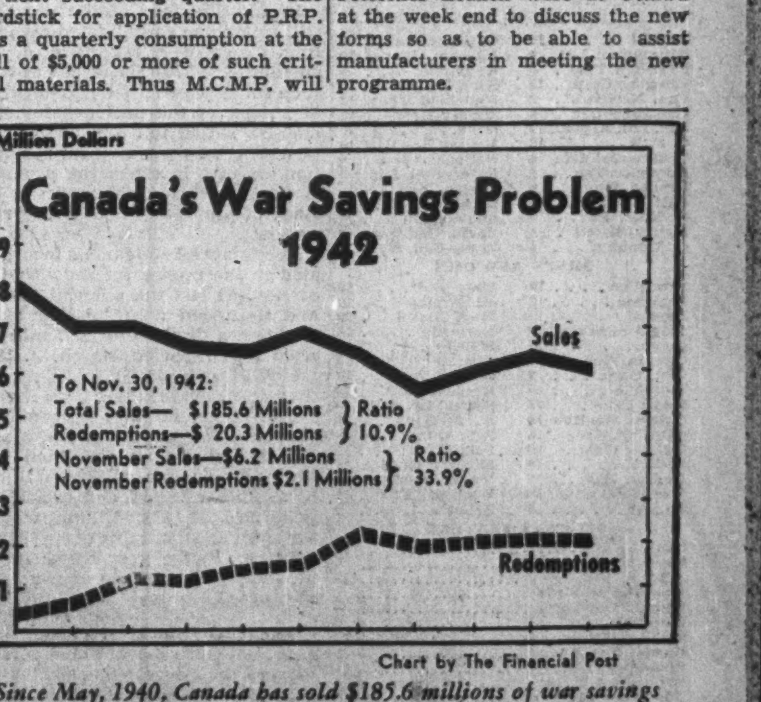


Chart by The Financial Post

Since May, 1940, Canada has sold $185.6 millions of war savings certificates of which $20 millions have been redeemed. Current monthly sales are running around $6.2 millions with $2.1 millions of redemptions, thus are netting the Dominion something like $50 millions annually. War savings certificates are regarded as an important medium for diverting excess purchasing power; how to increase their sale and at the same time cut redemptions is a prime wartime finance problem.

MEN'S SHOP
FINE APPAREL FOR MEN

A Good Front!

Even though we are all being compelled to cut down and make do with second-bests in many aspects of everyday life, where clothes are concerned the man who has been accustomed to dressing with distinction can still be assured of getting the best in men's suitings when he visits the Men's Shop. Here you will find suits in an attractive variety of styles and patterns — and you'll agree that the rich materials are really something to talk about . . . Yes, you can put up a good front on the Home Front when you wear a Men's Shop suit. Expertly tailored from the best of enduring fabrics — it will serve you well.

Ready-to-wear from $27.50 to $50

The Men's Shop

CIVIL AND MILITARY OUTFITTERS

at EATON'S - COLLEGE STREET

NEW PRESIDENT

A. M. German, who has been elected president and general manager of Canadian Dredge & Dock Co. Mr. German, who has been vice-president and general manager of the company, succeeds the late F. W. Grant, K.C. D. S. Pratt, Midland, a former president of the company, has been appointed chairman of the board.

War and Business . . . .

Meat Rationing

Long official explanations of the great difficulties involved in any meat rationing scheme are not interpreted by Ottawa observers as meaning that there will be no rationing of this product in the near future. Observers point out that similar explanations were made in regard to butter rationing and continued to circulate from Ottawa right up to the day before it was adopted. Practically everyone conversant with the subject realizes that there would be many complications involved, but at the same time, many still believe that the difficulties may have to be waved aside and rationing adopted fairly soon.

* * *

Aluminum Shingles?

Aluminum, which was content only with an invasion of the kitchen in the average prewar home, is said to be planning a much wider field after the peace. A major use will be shingles, it is predicted.

Among other advantages, such, it is claimed, would last indefinitely, require no painting or staining, would insulate against heat or cold and being of extreme lightness would eliminate much of the heavy construction found in the average roof of today.

* * *

American Opinion

One factor very largely overlooked regarding the food situation in Canada is American public opinion. Reports from Washington indicate that Americans are watching Canadian rations very closely and the general belief there in regard to certain lines such as butter is that Canadians are being treated rather generously. It is believed that our rations would have to conform very closely with any adopted in the United States or there will be criticism. It is also felt that more publicity is needed on this score, to point out, for example, that in regard to edible fats especially, Canadians are confined almost entirely to butter and a few varieties of shortening, whereas in large areas of the States at least, a much wider range of cooking oils, oleomargarine, etc., are available. If facts like these were understood south of the line, it is felt there would be less criticism.

* * *

Motor Repairs

Under present conditions, automobile dealers have no fear that any motor vehicle will be left unrepaired as a result of the recent order of Motor Vehicle Controller Berry requiring that gasoline ration books be shown when having car repairs made. The order establishes four classes of priorities for motor vehicle repairs: First, vehicles owned and operated by any branch of the armed forces or the auxiliary war services; second, commercial vehicles, buses, ambulances, motorcycles used for commercial delivery, fire trucks or other fire department vehicles; third, any motor vehicle for which the owner has a ration book other than category "AA"; fourth, cars for which gasoline ration books of "AA" category are held.

Automobile dealer associations emphasize this order does not mean any prohibition against repairs to cars or trucks but only that trucks and passenger cars engaged in vital war services are to be given priority over those in less essential services.

* * *

Rationing Notes

One very reasonable possibility is that the present gasoline rationing machinery may shortly be merged with the Prices Board so as to have consumer rationing all under one department of government. At present gasoline rationing is handled by the Oil Control of the Department of Munitions and Supply.

Another very logical and commonsense plan which is being considered alongside extensive rationing of foodstuffs, meats, etc., is the rationing of restaurant meals. It is felt that if meat and other food staples were rationed, it would be unfair to let those who could afford it eat without restriction by patronizing restaurants. Much of the criticism of food rationing in England arose because up till recently it was possible for wealthy people to buy almost anything they wished at the big London restaurants without giving up any of their ration coupons.

Also under discussion is the proposal to tie individuals to one retail outlet in respect of rationed commodities. This, it is claimed, would greatly simplify the "accounting" end of consumer rationing and facilitate the use of ration "banking."

* * *

Support For Price Ceiling

The public is reported getting behind the Wartime Prices and Trade Board in an effort to maintain the price ceiling. But at least one large regional office of W.P.T.B. is said to have told complainants who report infractions of the price ceiling that it is too busy to look after them. Such an attitude might be interpreted two ways, either there are wholesale infractions of the price ceiling or that the W.P.T.B. is falling down on enforcing its own regulations.

* * *

"Cut the Double Talk"

George C. Christopher, President and General Manager of the Packard Motor Car Company is planning to inaugurate a series of meetings of more than 500 company supervisors, foremen and union shop stewards to hear outstanding national authorities talk on production and labor management relations.

"Without good labor relations all the mechanical skill in the world can't get our production job done," Christopher said. "Toward that end we propose to give company supervisors and union representatives the same information jointly. By hearing the same story at the same time in the same way, these joint meetings of management and labor leaders are expected to clear the air and cut out the double talk which slows up the production process."

Food for War

Preserved, Packed and Shipped

Thousands of Canadian men and women are doing a most necessary job of converting farm products to transportable food for millions of fighters and civilians overseas. Much credit is due those working in canning, dehydration, curing, packing, refrigerating, and shipping. With war industries and their workers the Bank of Montreal is working helpfully by supplying the kind of banking service suited to the times.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . the Outcome of 125 Years' Successful Operation

A 179

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Does Steel Strike Reflect Curb on Cost of Living?

By STAFF WRITER

OTTAWA.—The recent policy of the W.P.T.B. in subsidizing certain foods in order to stabilize living costs and avoid the inflationary effects of further large payments of cost-of-living bonus may be brought to the fore by the steel strike.

Had milk, tea, coffee and oranges not been granted consumer subsidies early in December, it is certain that a pretty substantial cost-of-living bonus would have been payable at Feb. 15.

So far, labor has raised no public objections to this policy. Labor leaders at least have accepted the view that it was better to grant consumer subsidies and avoid a further wage-price inflationary spiral.

But such a policy prevents steel and other workers from gaining even a temporary increase in pay. Since their basic wage rates are now declared "frozen" under the Barlow finding, and there is no immediate chance of substantial cost-of-living bonus payments, the way to increased remuneration seems closed.

To what extent this new W.P.T.B. policy has featured in labor discussions and unrest is not known. As yet there is no indication in the steel case that anything more than the right to an increase in basic wage rates is at issue.

It is this issue, however, which cuts at the very root of the entire government wage-price policy.

Battle Lessons Shaping Our War Output

Changes in War Orders Reflect Experience Gained in North African Fighting

By STAFF WRITER

OTTAWA.—While not denying that drastic changes and cancellations in war orders have taken place in Canada in recent weeks, production officials say that there has been no basic change in the so-called Lyttelton programme as agreed on in Washington a few weeks ago. The announced Canadian production target of $3.7 billions of output in 1943, still holds, it is maintained.

What Canadian manufacturers are learning is that as we approach "shooting" war there will be more and greater changes in production than anything experienced up till now.

Britain, it is pointed out, has learned this lesson. As her troops get into action in different parts of the world immediate and revolutionary changes in equipment, ammunitions and weapons are demanded.

This may mean complete stoppage of an item on which millions of dollars has been spent for tooling, plants, etc. It may mean new tooling or even shifting of employment from one factory to another.

Lessons From Africa

Some of the drastic changes now being made in our production programme, which are causing layoffs in many parts of Canada, are due to lessons learned in the present African and Libyan campaigns. Others are due to the physical impossibility of storing in Britain, further amounts of materials and supplies which Canada has been pouring across the Atlantic in tremendous volume in recent months.

Until "shooting" war begins on the European front, this situation may continue and be even aggravated, although in many cases the entire output of such materials has been diverted to the United States.

In short, the lesson which is going to be increasingly evident in Canadian war production in 1943 is that big production means big changes. Most of these changes, it is contended here, are quite unavoidable—they are one of the risks of war—risks which Canada has not experienced in any great measure heretofore because much of the equipment and supplies which have been designed and produced here, have been on the basis of a "paper" rather than a "shooting" war.

New Appointment

One recent move which it is believed will help to interpret these changes to Canadian manufacturers and officials is the appointment of John C. Patteson, former European manager of the C. P. R. as representative of the British Ministry of Supply in Canada. Since the days of the ill-fated Greenley mission to Canada, there has been no such official representation and Hon. C. D. Howe has been the chief avenue through which British orders and instructions passed.

It has now been thought advisable to establish an official representation here through Mr. Patteson, who is himself a Canadian with valuable British connections.

Rationing Undecided For Canned Goods

Canada's Problems in Controlling Supplies of Canned and Dried Fruits and Vegetables Differ From Those of the United States

By STAFF WRITER

OTTAWA. — Important decisions now being made as to the direction and personnel of Canada's Food Administration under the W.P.T.B. will likely govern the decision as to whether or not canned goods will be rationed in Canada.

Till now there has been a disposition in official quarters to discount the need for rationing of canned goods in Canada. If important changes are made in the responsibility and direction of the Foods Administration it is likely that official opinion may veer sharply.

What is feared in some quarters here is that there may be a violent and embarrassing reaction in Canada once the details of canned food rationing in the United States are known. The fact is that a large proportion of citizens use no canned goods at all, but in terms of a ration plan it is difficult to devise a plan to supply the needs of those who do use canned goods (war workers where both man and wife are working; isolated communities, etc.). When total stocks of available canned goods are divided across the nation on a ration scheme the amount available for each person is very small.

As details of the U. S. ration plan become known, it is feared that there may be a violent rush to buy canned goods in Canada unless a parallel ration plan is worked out.

Problems Differ

Basically, the problems which face each country in the supply and processing of fruits and vegetables are very different. In the United States, a greater proportion of the total available supply of fruits and vegetables must be canned. This for several reasons:

1. Big citrus fruit crops which require processing and are not matched in Canada.

2. The fact that the U. S. army places all its troops (whether in training at home or serving abroad) on the same "export" ration. Thus Secretary Willard stated in his broadcast "nearly half our production of canned fruits and vegetables will go to our boys in the service, mainly in this country." (Canada has a special army ration for its home forces or service forces in training here. They are fed on a "domestic" basis with fresh vegetables or fruits rather than canned goods.)

3. The United States assumes responsibility for feeding most of its forces that are on active service whereas the Canadian army in Britain (for example) is fed by the U. K. and requires no concentrated or export ration from this country.

Canning Problem

Thus the problem of canning in relation to total supplies of fruits and vegetables looms much larger in the United States than in Canada.

The Canadian army is said to be still unable or unready to make known its 1943 requirements, perhaps because of the different and more unpredictable form of our domestic "rations."

Chief concerns in Canada are, (1), the maintenance of a sufficient "premium" over ceiling prices to bring out a big enough crop to meet requirements of "essential" vegetables, and (2), the supplying of sufficient field and factory labor to harvest and process the crops when they are available.

Although no final decision has been made it is likely that Canada will be able to obtain sufficient containers to process all the essential crops that can be grown. The allocation of containers for 1943 is still in the tentative stage, with some further reductions from 1942 allotments probable before the final schedule is agreed upon.

Dried Fruit Problem

In respect of dried fruits, Canada is already on a strict quota system so far as U. S. imports are concerned. This quota distinguishes between priority and non-priority demand.

At the turn of the year only half of our non-priority quota had been received. Non-priority users in Canada are on the same basis as similar distributors in the United States.

Even if non-priority demand is reduced even more than at present, Canada and the U. S. would share alike, and the expectation is that Canada would continue to allocate available supplies of dried fruits through the trade (as at present) without recourse to formal consumer coupon rationing.

Production Increase Urged

In a special analysis prepared for the recent Dominion-provincial conference on agricultural production and requirements in 1943, it was pointed out that "future export requirements for fresh processed or dehydrated products are undetermined, but if these should be substantial, domestic supplies would be curtailed or reduced."

Growers were urged to increase production to protect domestic and export positions.

Steel Workers' Average Pay Ranks High

Basis of the steel strike in Canada this week was demand by workers of an hourly basic wage rate of 55 cents. This compares with the present basic rate of 43½ cents at the Sydney plant of Dominion Steel & Coal and 45½ cents at the Sault plant of Algoma Steel.

Basic wage rate in the steel industry is that paid to unskilled common labor; wages for different types of work are built up by a system of differentials on top of this basic rate, any increase in the basic wage rate is reflected by a similar increase in rate paid to every worker in the industry. Actual rates of pay in the steel industry run up to as high as $1.50 an hour.

A tabulation by the Dominion Bureau of Statistics as at Oct. 1, 1942, showed per capita weekly earnings of those employed in manufacture of iron and steel products as a whole at $35.31. Iron and steel fabrication averages $36.79 weekly. Five highest paid jobs in Canada are:

Per Capita Weekly Earnings	$
Automobile mfg.	40.71
Shipbuilding	38.66
Steam railways	37.95
Iron & steel fabricn.	36.79
Non-met. mineral prods.	36.43

New Committee On Advertising

By STAFF WRITER

OTTAWA.—John Martin, advertising manager and public relations counsel of Massey-Harris Co. has resigned as the government's co-ordinator of advertising. In addition, the old interdepartmental publicity committee set up by Hon. J. T. Thorsen and headed by Hon. T. C. Davis, has been dissolved. In its place there has been created a new and "informal" co-ordinating committee under Wartime Information Board, which will be a meeting place for various departmental heads interested in governmental publicity and public relations. Chairman of the new committee is John C. Porter. It held its first meeting this week. Reason for Mr. Martin's resignation is believed to be an unwillingness on the part of the government to clothe the new committee with specific powers and jurisdiction in respect of governmental advertising and publicity.

It has been known for some weeks that various alternatives have been under discussion, one of which would be the setting up of a formal clearing house for governmental publicity and establishing its powers and jurisdiction by order in council.

This apparently has not been done since the new committee will work on a purely informal basis and interdepartmental heads who attend its meetings will do so merely on their own initiative and by invitation rather than "command."

Ottawa Plans Survey Of National Income

Will Name Expert to Undertake Job; May Be Year Before Detailed Data Ready For Publication

By STAFF WRITER

OTTAWA. — Decision has been reached to appoint a qualified expert to take over the whole statistical approach to national income in Canada. No announcement will be made until the suggested appointee has been approved by the Treasury Board.

One difficulty has been the fact that the salary range for a person competent to do the sort of job long overdue in Canada is beyond the general run of civil service wage brackets.

The person so appointed would be attached directly to the staff of the Dominion Bureau of Statistics and would co-operate with the small advisory committee set up some time ago to study the national income in Canada. This committee is representative of the Bureau of Statistics, the Department of Finance and the Bank of Canada.

Although national income figures are issued from time to time by the Dominion Bureau of Statistics, they are not considered comprehensive enough to meet modern requirements. Some private calculations have been made, apart from the published figures, but they have never been published because it is felt that the statistical data on which they are based is inadequate and incomplete.

Deutsch Study

One important study was the contribution made by J. J. Deutsch and others at the time of the Rowell-Sirois Commission, but this work has been kept up-to-date only in part.

Close observers of present trends and developments in the field of taxation, saving and war-inflated purchasing power recognize that a comprehensive compilation of the amount and distribution of the national income is one of the most vital of all statistical weapons.

Presuming the salary difficulties can be overcome it is hoped that the new appointment will be made shortly. It may be a year at least before the new studies will be sufficiently advanced to permit publication of regular and adequate information.

Better Business Bureau Issues Folder on Oils

A folder entitled "Facts You Should Know About Oil Royalties" has been issued by the Toronto Better Business Bureau and is available to the public at the Bureau office at 350 Bay St., Toronto.

The folder describes the genesis of the term "royalty," the various types of oil royalty on the market today and facts investors should take into consideration before making a commitment in this type of issue.

Distillers Corp.-Seagram's purchased 500 shares of 5% preferred stock for retirement and cancellation during December. This left outstanding 159,373 shares.

Company Report

Canada Vinegars

Increase in profits of Canada Vinegars Ltd. during the year ended Nov. 30, 1942, is mainly attributed to an increased volume of sales resulting from the prevailing higher level of employment, states C. L. Carsley, president, in the annual report. Due to this betterment a bonus of 10 cents per share was paid with the last quarterly dividend, making total 1942 dividends 50 cents a share.

Production at all the company's plants was maintained on an economic basis and an increased volume. Sale of Allen's Apple Juice was lost during the year owing to wartime regulations prohibiting use of tin in containers.

Out of the year's earnings $25,000 was appropriated for establishment of a reserve fund with respect to properties which are not presently required for the company's purposes and may be disposed of.

Income and Surplus Account Years Ended Nov. 30	1942	1941
	$	$
Operating profit	247,063	221,930
Less: Exec. remun.	35,250	34,550
Directors' fees	1,650	1,650
Legal fees	1,524	919
Depreciation	74,605	73,650
Income & E. P. tax.	48,981	50,619
Western Vin. int.	1,687	1,300
Net profit	83,365	57,048
Less: Common divds.	46,000	46,000
Surplus for year	37,365	11,048
Add: Prev. surplus	117,538	106,490
Less: Trans. prop. res.	25,000	......
Earned surplus forw'd	129,903	117,538
Earned per share:		
Common	$0.91	$0.83
Paid	0.50	[illegible]
Working Capital	$	$
Current assets	570,925	320,019
Current liabilities	272,837	267,763
Working capital	298,088	252,256
Balance Sheet Changes	$	$
Cash	6,507	19,124
Investments	50,200	5,000
Accts. receivable	161,111	137,894
Inventories	353,107	357,901
Bank loans	44,630	......
Fixed assets	1,901,501	1,983,401
Less: Depreciation	804,103	739,163

Treaty Changes Being Considered

(Continued from page 1)

the border to make a purchase of Dominion bonds. As the proposed legislation is retroactive in character, a large number of Canadian investment dealers might, because of normal business transactions in the past, become guilty of offenses through passage of the new treaty and liable to extradition.

It is fully realized that the new treaty is pointed against the fly-by-night and undesirable share-pushers rather than the legitimate investment dealers. But the liability is still there. Some U. S. share-pushers are alleged to be using Canada as a haven from which to continue their operations on U. S. individuals, it is admitted. But investment dealers say there are other ways this situation can be corrected, such as by a closer control over those to whom licenses for dealing in securities are granted.

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Quebec Floats New Loan Issue

Proceeds of $18 Millions Public Offering to Take Care of Short Term Debt

Bank of Montreal and the Royal Bank of Canada head up a syndicate which is making a public offering of $18 millions Province of Quebec 3½% sinking fund debentures at 99½ and accrued interest to yield 3.53% to maturity in 1960.

This financing is in addition to two issues aggregating $20 millions of 3-year 2½% sinking fund debentures of the province which have been sold privately to a banking group.

With the proceeds of both the private and public issues the province will refund in part a loan of $25 millions which will mature on Feb. 15 next and a temporary loan of $12 millions effected to meet a loan of $12 millions which matured Jan. 2 last.

In addition part of the proceeds will reimburse consolidated revenue fund "for an expenditure of an amount of $1,970,000 charged against such fund," covering the repayment of a loan of the province for that amount which fell due on Nov. 15 last. The loan was a serial redemption, so that in effect the province is funding this serial maturity instead of providing for it out of revenues.

The financial statements incorporated in the prospectus show that as at Nov. 30 last the over-all funded and unfunded debt totalled $413.3 millions, a decrease of $8.7 millions from that reported March 31, 1942, which in turn was $4.3 millions less than at March 31, 1941.

The revenue and expenditure statement for the year ending March 31, 1943, shows an estimated total ordinary revenue of $89.6 millions, as against ordinary and capital expenditures of $89.2 millions, making for an over-all surplus of just under $400,000. In the year ended March 31, 1942, there was an over-all surplus of slightly less than $2 millions.

Montreal Stock Exchange and Montreal Curb Market members increased their borrowings during December. Loans as at Dec. 31 totalled $5.5 millions, an increase of $266,422 from the previous month.

Zeller's Ltd. has declared a bonus of 20 cents a share on the common stock, payable along with the regular quarterly dividend of 20 cents a share on Feb. 1, next. A similar bonus was paid Feb. 25, 1942.

Automobile Insurance Rates Will Be Reduced Again

Reductions in automobile insurance premium rates, on passenger cars only, are to be made shortly by both tariff and non-tariff insurance companies. The same system will be used by both groups in working out the adjustments which, it is believed, will be Dominion-wide, although varying in extent in different territories.

The reduction will be the second since gasoline rationing came into effect. The first was last spring.

This latest reduction is the result of lower losses in 1942 and the establishment of the "AA" gasoline rationing category, which means smaller mileage for the large proportion of cars. Rough estimates place the reduction in automobile mileage in Ontario last year at close to a billion miles.

The adjustment, it is expected, will affect public liability and fire and theft coverage most, as that is where experience in 1942 was most favorable. Accidents were fewer.

Statistics show that in 1942 there were 611,871 cars registered in Ontario compared with 636,624 in 1941. Commercial cars registered were 94,307 against 93,753. Accidents to Oct. 31 were 10,844 against 14,536 and deaths 455 against 641.

Over the Dominion as a whole, G. D. Finlayson, superintendent of insurance at Ottawa, has estimated the ratio of losses incurred to premiums earned at 40% compared with almost 50% previously.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Dominion—							
Canada Refunding	Jan	Morgan Stanley & Co., New York	2½%	1949	$30,000,000	*100	.....
			3%	1953	30,000,000	*100½	.....
			3%	1958	30,000,000	*98½	.....
Provincial—							
New Brunswick	Jan.	Dominion Securities and Syndicate	3½%	1958	1,250,000	98.27	.....

*Offering price.

In Your Opinion —

How Can We Boost Farm Output?

The Question: What steps should be taken to relieve the impending farm labor shortage and boost food production?

W. R. Aird

President and managing director, Eastern Dairies Ltd., Montreal.

1. In order to answer intelligently one should know what foods and what quantities are required, also what increase in production is needed.

2. When the above facts are determined a survey should be made to ascertain where extra labor is needed on farms in order to produce this quantity of food.

3. The farmers should be assured of prices for their products that will enable them to meet labor and production costs, etc. (In order to eliminate the danger of inflation it may be necessary for the government to pay a part of the farmers cost either by direct or indirect subsidy).

4. Manpower should be made available to the farmers through the National Selective Services Commission.

* * *

Major John Barnett

Manager, Ontaria Branch, Credit Foncier Franco-Canadian, Toronto, and owner of farm near Clarkson, Ont.

Total Canadian farms are approximately 800,000. At least 10 to 15% or 80 to 120,000 are purely subsistence units in many cases not producing sufficient to maintain the families on them, and none producing any surplus. Selective service should gather in the several hundred thousand males and portion of females existing on these submarginal farms and distribute them where needed on producing farms, war industry and war services. Military rates of pay and dependents' allowances would solve wage difficulties and farm labor shortages thus curing the main difficulties in securing adequate production from good farms.

* * *

Dr. G. I. Christie

President, Ontario Agricultural College, Guelph, Ont.

Arrange for and announce military exemption for labor still on the farms. Have farmers make arrangements with their neighbors during the winter whereby various types of work may be done co-operatively next spring and summer.

Take steps to avoid wasteful use of labor supply. This might involve abandoning production in areas of the obviously submarginal and having labor now inefficiently used there added to labor force in better areas, making sure it is distributed in relation to the needs. Do all possible to ensure the correct quantity and quality of all other producing agents are combined with the limited labor supply.

Explore further possibilities of using retired farmers, high school pupils, urban female labor and labor still employed in non-essential occupations.

George A. Clark

Canadian manager, Miller Printing Machinery of Canada Ltd. and farm implement authority.

1. Immediately recruit farm labor army from non-essential industry, marginal farms, high schools, women. Pay them on an equal basis with industrial labor and subsidize the farmer on the basis of services rendered and work done.

2. Immediate release to agriculture of all farm labor with completed training in the home forces to be recalled for army emergency only.

3. Pool the use of mobile farm equipment under supervision of the local garage or agricultural director for night and day operation at the most urgent job time and weather demands.

4. Government should immediately institute agricultural plans, place these in the hands of an agricultural engineer with business training and vision, and given power to formulate a working plan for effective operation in 90 days.

5. Utilize district agriculturalists and outstanding business farmers in each high production area to direct a plan with authority and power to be given as vital emergency.

6. Adjust price ceilings on vital products as required so increased income will take care of higher labor costs. If subsidized the same should be direct to the farmer and laborer, not to the wholesaler or processer.

* * *

Col. F. H. Deacon

Head of Deacon & Co., investment dealers, and owner of big farm near Toronto.

1. Request war service boards to grant minimum yearly postponement to farmers subject to cancellation if unfavorable report made by local agricutural representatives.

2. Return farmers from reserve army and munition plants.

3. Send university and schoolboys fifteen to twenty-two, below the third year in university, to farms and munition plants for the duration.

4. Organize groups among service and golf clubs to give weekly aid to farmers.

5. Release more farm machinery and have local organized exchange of labor and constant use of specialized machines such as combines, hay-presses, tractors, threshers when the weather is favorable.

* * *

Hon. P. M. Dewan

Ontario Minister of Agriculture.

It is imperative to retain on farms all the present help. An effort should be made to return to farms some of the farmers and farm laborers who are now in factories and who are not essential to war production. Some relief might be obtained by procuring men from marginal and submarginal farms where the contribution to the war effort is comparatively limited.

Indefinite, rather than short-term, postponement should be given to young farmers. The two or three months deferment causes too much uncertainty as to a farm programme. Emergency squads including urban help and high school students must be organized to the limit.

* * *

W. R. Drynan

President and general manager, Canadian Canners Ltd., Hamilton.

If possible release draftees during the heavy harvesting time. Extend the training time of local reserve military units to later in year instead of midsummer. Make local registrations of farm help whereby committee could be formed to ascertain actual number of people in every district who would work on farms and in canning factories, but who are unable to leave homes to work elsewere. Even a few hours morning and afternoon would help.

Set up camps for student bodies supervised by Y.M.C.A. which could follow both farm and factory where neded most. Set up prisoner of war camps in heavy producing areas for harvesting and picking produce, sugar beets, etc.

Place canning factory seasonal employees under agriculture and eliminate registration under selective service. The latter is not liked by retired people who want work as a war effort without restrictions on when to come and go.

* * *

Hon. A. C. Hardy

Member of the Canadian Senate and farm owner, Brockville, Ont.

Farm labor conditions are a practical menace. In my opinion no further draft whatever should be made for army or industrial purposes on farm labor. Furthermore competent farmers already in the army, especially of the lower categories should be returned to the farm. This may not be a popular opinion in some quarters, but is held through personal experience and observation of others' difficulties.

* * *

W. W. Hubbard

Prominent New Brunswick agriculturist, Fredericton, N.B.

The resumption of Atlantic standard time would add at least 10% to effective farm labor in New Brunswick. National Selective and Employment Bureau might notify farmers to apply for help required and endeavor to supply them. They might requisition college and high school students and capable women. Farmers' families should not be taken from actual work.

Bonus may be needed to make farm wages equal to those other occupations. If labor available and transportation restrictions removed authoritative guarantee of profitable prices and assurance of markets will boost all farm production here.

* * *

D. E. Kilgour

President and general manager, North American Life Assurance Co., and owner of farm near Georgetown, Ont.

One of the steps which could be taken to improve the farm labor shortage, would be to grant indefinite rather than temporary postponements from military services. It is said that the renewing of postponements is largely a matter of routine, but if that is the case I can see no reason why they should not be made indefinite in the first instance in genuinely deserving cases. One could plan then with greater assurance.

If the war situation permits it, I think that experienced farm workers in the armed services should be more liberally released during the harvest period.

Perhaps something might also be done to stabilize farm labor and prevent undue movement from district to district.

* * *

Hon. W. R. Motherwell

Former Dominion Minister of Agriculture, Abernethy, Sask.

I am wholeheartedly behind the expressed policy of Canadian Federation of Agriculture of which I am a member regarding important issue raised in your wire.

* * *

W. H. Miller

Editor, Gazette, Olds, Alta.

Release to farmers of their respective districts all conscripted men possible, especially those who were continuously engaged at farm work for the past 12 months. Check immediately the drafting of all competent farm workers which is particularly necessary in this area to enable all farmers to complete threshing the last crop and sow the new crop. Unless this is done production cannot be maintained, let alone be boosted.

* * *

Dr. Robert Newton

President, University of Alberta, Edmonton.

To ensure full production of voluntary local committees working under the guidance of provincial departments of agriculture should survey productive capacity, labor and machinery needs of each farm. Then Selective Service should transfer labor and machinery from farm to farm as required and regional mobilization boards should draft only the surplus over minimum essential farm manpower. The use of labor in lumbering and other seasonal industries should be co-ordinated with seasonal needs of agriculture. The army might well release experienced men in shifts from neighboring camps for short periods during the peak harvest season.

* * *

J. B. Robertson

Editor, Recorder, Bassano, Alta.

Possibly the factor that has contributed most greatly to the farm labor shortage in Canada is the failure on the part of the federal government to establish a stabilized price for farm produce on a par with industrial products. This should be done and guaranteed for a period of at least one year after peace to enable adjustment.

Due to lack of foresight, farmers are witnessing the removal of their hired help and even their own sons to industrial cities, where the most inexperienced men can draw from two to three times more for their services than on the farm. The belated effort to regiment farm help and keep it on the farm, came after most of the men had gone.

Those who remain are faced with the impossible task of producing food for a nation at war with worn out equipment that came through the worst depression in our history, without the slightest semblance of repair and now is in the condition where it is practically impossible to keep it running.

As a temporary expedient men in the armed services should be released for at least six weeks to two months during the heavy seeding and harvesting periods. Farm high school boys would be of invaluable assistance if they were released from their studies on May 30, instead of the end of June and were allowed to remain out of school until the first of October.

The organization in various farming districts, under recognized authority, of co-operative labor clubs would go far in relieving local labor shortages.

The payment of bonuses to western farmers, such as the wheat acreage reduction bonus, is not conducive to the higher production of essential food products. Had this bonus been paid for the increased production of cattle, hogs, poultry and other essential foods, our increased volume would now be more on a par with our food requirements. It is not possible to pay our farmers for not producing one product on their land and at the same time encourage them to produce other products that they are not altogether familiar with and for which there is no established or stabilized price.

* * *

A. E. Silverwood

President, Silverwood Dairies Ltd., London, Ont.

It is obvious that the production of foodstuffs is essential to the success of our national war effort. Therefore a definite policy of government administration assistance in the preservation of adequate farm manpower and in the closest co-operation between agriculture and employment is needed. Selective service should be clearly enunciated and enforced that the all-important result of the required increase in farm production quota be assured.

* * *

E. Roy Sayles

Editor, Mercury, Renfrew, Ont.

It might be well to close all schools from Grade 8 up through secondary schools and universities from May to October. This would give teachers and students an opportunity to help the farmers. At present schools are only operating for half a year and the teaching days are cut so badly that a whole year is being used to do it in. This would release thousands of teachers and students to do farm work in spring, summer and fall. Incidentally some wood cutting is needed. The fuel problem is bad and getting worse. Farmers have the wood lots.

* * *

R. J. Scott

President, United Farmers Co-operative Co., Ltd.

All skilled farm labor should be made to feel they are performing their greatest service to the nation by remaining in agriculture and expanding production. The price required to assure supply cannot remain as closely tied to consumers price and the price index as in the past without jeopardizing production at an increasing rate but should be brought into a position permitting wages to be paid that will prevent further drain of manpower from farms. Early announcements that seasonable labor requirements of agriculture will be available will greatly assist and determine acreage planted in 1943.

* * *

C. O. Tatham

Woodstock Sentinel Review, Woodstock, Ont.

Selective service properly administered by impartial non-partisan local boards would be a step in the right direction.

* * *

Dr. George J. Trueman

President, Mount Alliston University, Sackville, N.B.

Ascertain labor requirements on larger dairy and stock farms. Appeal to rural people, including women, older children and men who are not working to full capacity, to put forth unusual effort as a loyal service to their country. Require men on neglected farms to help neighbors on those more productive. We should remember milk made into butter at present prices does not yield more than three cents a quart and farmers in eastern Canada cannot produce milk at that price. Continued operation at such prices will soon force farmers into bankruptcy. Guaranteed an adequate price, farmes will take heart, will get the work done, feed stock better and produce more food.

* * *

Bryan L. White

Editor, Ottawa Farm Journal.

Movement of farm labor to armed forces and industry must be stopped, by drastic means if necessary, or we are in for the greatest food shortages the country has ever known. First essential is consideration of food production as a first line war industry. Seasonable labor for harvests is not so great a problem as permanent labor such as dairy farms require. Their need comes first.

Farm labor subject to draft should be given long term deferment; subsistence farmers moved to productive units; farmers urged to come out of retirement.

County war committees should be made vital factors headed by energetic men, not reeves or wardens, with definite powers to arrange co-operation in machinery use, harvest gangs, and powers to commandeer, organize and plan.

Higher production mechanical milkers should be sold only to higher producing farms. Farmers should be urged to treat hired men better, share profits, forget old ideas, and small herd owners amalgamate where possible.

Continuity in Time of War

If Your PROSPECTIVE EXECUTORS OR TRUSTEES or PRESENT FINANCIAL ADVISERS have left or are likely to be absent on war duties OUR TRUST DEPARTMENT can offer you many advantages — among them Continuity of Service.

Crown Trust Company

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Maintaining the same high lighting efficiency, while saving steel for weapons of war, Amalgamated Electric Corporation announces its

NEW BENJAMIN NON-METALLIC FLUORESCENT REFLECTORS

Made of formed lignin-plastic hardboard, approved by the Canadian Engineering Standards Association, these new lighting units provide the same lighting efficiency and shielding characterstics as the open-end, porcelain enamel steel reflectors they replace. They are rigid, strong, and resist moisture and warping. The synthetic enamel finish resists scratching and chipping and is safely washable. Pearl gray outside, white inside with high reflection value, reflectors are removable from housings or channels in exactly the same way as former steel reflectors, and are equipped with permanently attached swivel thumb nuts.

Have more light for victory with Benjamin Non-Metallic Fluorescent lighting units. MADE IN CANADA by Amalgamated Electric Corporation Limited. For full particulars, ask Amalgamated Electric engineers.

Amalgamated Electric Corporation Limited, Toronto and Montreal. *Western Divisions:* Langley Electric Manufacturing Co. Limited, Winnipeg; Langley Electrical Co. Limited, Calgary; Langley Manufacturing Co. Limited, Vancouver.

AMALGAMATED
ELECTRIC CORPORATION LIMITED

What would happen to your business if your health should fail?

GEORGE S. MAY COMPANY
Business Engineering
320 BAY ST., TORONTO

Earnings Show Improvement

Earnings per share	1942	1941
	$	$
Dryden Paper, common	1.07	0.21
Canadian Car, common	1.28	0.58
Kelvinator, common	1.57	1.20
Fleury-Bissell, common	d0.95	d1.63

Canadian Car

Canadian Car & Foundry Co. for the fiscal year ended Sept. 30, 1942, reports an operating profit of over $4.8 millions, as against $2.2 millions the year before. After providing for higher taxes and depreciation reserves, net profit was equal to $2.42 a share on the preferred and $1.28 on the common stock. The year before the company reported $2.51 on the preferred and 58 cents a share on the common.

The balance sheet as at Sept. 30, last, indicates continued strong position, with net working capital of $6.5 millions. This was somewhat lower than at the end of the preceding year and reflects, in part, increased provision for taxes in connection with the claims of the United States and Canadian Governments on the award made to the company's New York Agency for German reparations claims.

Income and Surplus Account
Year Ended Sept. 30

	1942	1941
	$	$
Oper. profit	5,011,293	2,356,435
Less dir. fees	5,755	8,991
Exec. sal.	134,971	114,535
Legal exp.	7,692	6,202
Net oper. profit	4,862,875	2,226,707
Other income	93,853	68,052
Total income	4,956,728	2,294,759
Depreciation	a1,858,344	992,873
Income and E.P.T.	b2,140,000	600,000
Net profit	958,384	701,886
Pref. div. paid	c490,000	369,600
Surplus	468,384	332,286
Previous surplus	7,564,905	3,265,901
Add pref. on exch.	150,500	......
Less taxes re "Agency"	d752,500	......
Prior adjt.	e44,088	......
Deprec. adjt.	......	60,196
Add "Agency" paymt.	......	4,026,914
Surplus forward	7,387,201	7,564,905
Earned pref. sh.	$3.42	$2.51
Paid pref. sh.	1.75	1.32
Earned common	1.28	0.58

(a) Comprising: property written off during year, $184,671; normal depreciation, $350,610, and special depreciation, $1,323,063.

(b) Including refundable portion of excess profits taxes, $73,161.

(c) At rate of $1.75 on 280,000 shares.

(d) Comprising Dominion taxes on dividends received from New York "Agency" of Company, and, U.S. withholding tax deducted at source.

(e) Net, including additional special depreciation for previous year of $161,158.

Net Working Capital

	1942	1941
	$	$
Current assets	21,527,070	22,746,159
Current liabilities	14,993,471	14,883,540
Net working capital	6,535,599	7,862,619

Balance Sheet Changes

	1942	1941
	$	$
Inventories	11,184,079	9,904,251
Accts. receivable	6,226,425	7,851,091
Cash	4,042,504	4,916,755
Fixed assets	17,302,128	16,701,365
Bank loans	4,317,000	5,390,400
Accts. payable	5,364,556	6,402,844
Tax provision	5,191,515	2,967,095

Dryden Paper

Dryden Paper Co.'s earnings for the year ended Sept. 30 underwent wide expansion as a result of capacity operations throughout the year. Operating profit totalled $680,138 compared with $424,954 for the previous year. After providing for taxes and other charges, net profits were equal to $1.07 a share as against 21 cents a share the preceding year. All of the net profit was carried to earned surplus.

During the year $101,500 of outstanding bonds were retired, while the net working capital was improved. Despite the strengthening of financial position, F. A. Sabbaton, president, points out that "in these times of uncertainty, directors feel it is sound and prudent to maintain a strong liquid position." This is taken to indicate that no dividends are in immediate prospect.

Income and Surplus Account
Years Ended Sept. 30

	1942	1941
	$	$
Gross income	683,258	425,507
Less: Exec. salaries	27,830	26,295
Legal expenses	309	......
Directors' fees	420	420
Bond interest	67,320	71,180
Depletion	39,523	15,899
Depreciation	264,426	255,426
Tax provision	123,000	25,000
Net profit	160,430	32,287
Previous surplus	32,286	......
Surplus forward	192,717	32,287

Working Capital

	1942	1941
	$	$
Current assets	984,480	730,650
Current liabilities	257,069	159,024
Net working capital	727,411	571,626

Balance Sheet Changes

	1942	1941
	$	$
Cash	120,588	34,742
Accts. receivable	196,853	260,039
Inventory	611,673	386,944
Funded debt	1,062,000	1,163,500

Continental Life

Preliminary figures issued by Continental Life Insurance Co. show business in force at Dec. 31 about $3.8 millions higher than a year ago. Payments to policyholders were down slightly. Assets and policyholders' reserves were higher. Comparative figures follow:

	1942	1941
	$	$
Insurance in force	50,022,430	46,204,981
Policy payments	736,997	852,818
Total assets	11,961,227	11,231,186
P'holders reserves	10,171,298	9,577,827

Kelvinator

Kelvinator of Canada Ltd. reports net profit for the year ended Sept. 30, 1942, equivalent to $1.57 a share on its common stock compared with $1.20 a share earned in the previous year. Directors have decided to defer dividend payments until a clearer picture of the difficulties of transition from munitions manufacture to peacetime operations can be seen.

George W. Mason, president, reports that the last year has been a difficult one, reflecting conversion of the business from its normal job of producing electrical refrigeration equipment to a war industry. Total volume of refrigeration business was substantially below normal. Its subsidiary, Refrigeration Supplies Co., found a similar situation, with lack of supplies preventing maintenance of sales.

Mr. Mason reports that the company has now received additional contracts from the Department of Munitions and Supply and substantial subcontracts from two large prime contractors. He does not expect profits from war contracts to approach those realized on its regular lines, but estimates it should be possible to show a moderate profit for the current year.

In the 1941 report provision was made for a loss of the English subsidiary, Kelvinator Ltd., which has been actively engaged on war work for the past three years. The final loss proved materially smaller than the estimates and for the last year a fair profit is expected which has not been included in the parent company's accounts.

Deferred loan payable to Nash-Kelvinator Corp. has been reduced from $290,000 to $190,000.

Working capital has been reduced, but Mr. Mason mentions that this reduction is more than represented by the company's investment in new munitions plant and equipment. Accelerated depreciation of war equipment is expected largely to restore this reduced working capital during the current year. Both cash and current liabilities are also temporarily inflated pending final adjustment of prices on war contracts. These contracts were based on an original price set as a ceiling, but actual costs have been substantially lower than original estimates due to efficient manufacturing operations. The final price is to be agreed upon after government audit of these costs.

Income and Surplus Account
Years Ended Sept. 30

	1942	1941
	$	$
Total earnings	656,312	856,499
Less: Salaries, fees & exps.	144,368	238,999
Sundry deductions (net)	1,782	577
Interest on loan	15,106	15,600
Inc. and E. P. taxes	137,800	240,000
English subsid. loss	......	45,000
Net profit	197,457	120,323
Less: Common divds.	......	75,000
Surplus for year	197,457	45,434
Add: Previous surplus	482,757	437,434
Refund. part EPT	1,700	......
Earned surplus forward	681,914	482,757
Note—Included in costs and expenses are:		
Exec. remuner.	30,875	30,425
Legal fees	784	399
Depreciation	74,003	19,629
Earned per share:		
Common	$1.57	$1.20
Paid	nil	0.75

Working Capital

	1942	1941
Current assets	892,570	938,251
Current liabilities	490,805	399,542
Working capital	401,765	538,709

Fleury-Bissell

Fleury-Bissell Ltd., makers of farm equipment, reports a net profit of $4,990 for the year ended Oct. 31, 1942, compared with a deficit of $7,338 for the preceding year. Financial position shows some gain in working capital with bank advances of $89,309 a year ago repaid.

Income and Surplus Account
Years Ended Oct. 31

	1942	1941
	$	$
Net earnings	30,123	16,562
Less: exec. remun.	4,200	4,058
Legal fees	284	1,417
Depreciation	13,694	9,675
Interest	2,570	2,666
Income & E.P. taxes	3,327	......
Moving expenses	657	6,084
Net profit	4,990	*7,338
Add: Previous deficit	67,664	59,869
Additional taxes	......	457
Deficit forward	62,674	67,664

*Deficit.

Working capital

	1942	1941
	$	$
Current assets	196,342	259,367
Current liabilities	34,279	113,422
Working capital	162,063	145,945

Market Opinions

Fear of a reaction in stock markets in the United States appears to be gaining weight, with opinion cautioning against purchases at present.

Magazine of Wall Street, N. Y.—Market recovery shows increasing signs of waning vitality and we think a substantial reaction is in the making as near-term uncertainties reassert themselves and questions arise as to whether "short war" optimism may not have been excessive.

• • •

Journal of Commerce, N.Y.—The mere existence of this huge volume of purchasing power will not put stock prices up. These funds must actually be used to purchase securities, to have such an effect. To date, there has been little evidence of a general rush to buy stocks with these funds. Whenever economic and political conditions favor higher stock prices, however, these liquid funds would permit millions of persons to buy stock at rising prices without having to borrow money for the purpose, as was done so freely in the twenties.

• • •

Brookmire Counselor, N.Y.—Practical investment procedure in wartime requires adherence to sound strategy, yet adaptation of tactics to rapid changes. In bonds, at prevailing abnormal prices and facing inflationary problems, it remains advisable to change from long-term to short-term issues. In stocks, where tax considerations permit, some selling in stocks that have risen sharply is advised, thus increasing cash reserves as a reaction hedge; but the prospect of eventually higher levels, warrants retention of well-diversified portfolios representing basic industries, including armament-stimulated and inflationary types.

Canadian Car Plan Complete

Will Wipe Out Preferred Arrears; Drury Reports on 1942 Operations

From Our Own Correspondent

Canadian Car & Foundry Co.'s plan providing for disposition of the arrears of dividends on the preference shares will be mailed shortly to shareholders, according to statement made by V. M. Drury, President, in his annual report. No details were given but it is understood the plan will provide for a small cash dividend and capitalization of arrears.

Some indication of the volume of business now on the books was given in the report. Uncompleted orders on hand at the end of the year aggregated in value more than $20 millions, of which some $6 millions is for export.

During the past year the company has delivered some $4 millions of freight car equipment, of which part was for export. Canadian deliveries included 35 passenger cars and 60 street cars, valued at about $3 millions.

Need for Materials

Work on aircraft contracts has been continuously hampered, says Mr. Drury, by the difficulty in obtaining materials.

The construction of Hurricane aircraft is nearing completion and work is already under way in preparation for the production of the Curtiss Navy Dive Bombers, which have been ordered by the U. S. Government.

Production of Anson twin engine advanced trainer planes will continue through the year.

Additional orders have been received for airplane propellers, which were brought into production last year.

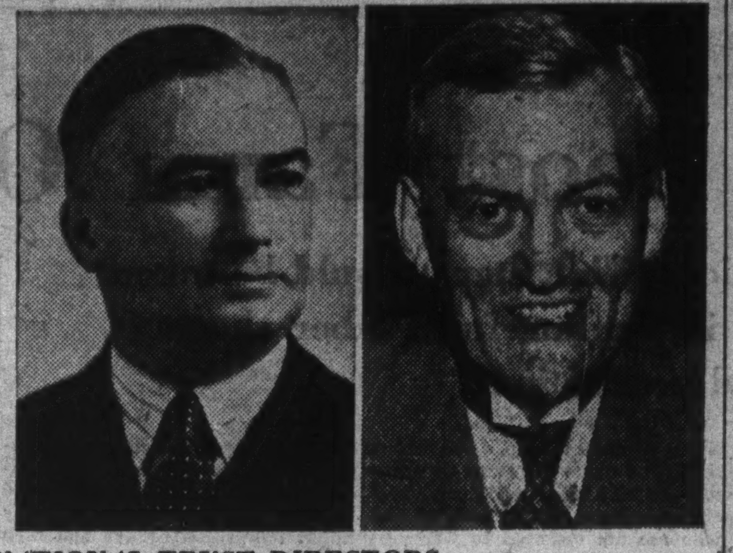
Maintain Shell Output

Production of shells of large calibre is expected to continue uninterruptedly throughout the current year.

The Cherrier plant of Canadian Car & Munitions, Ltd., was in full production last year. Currently the plant is producing at a rate approximately double the capacity for which it was designed and built, says Mr. Drury.

In 1942 the company made extra provision for $752,500 for United States and Canadian Government taxes on the dividend which was declared by the Agency Company.

Mr. Drury reports the tax on this particular transaction was heavier than anticipated and the reserve set up must be allowed to stand until negotiations between the Agency Company and the U. S. Government are completed.



NATIONAL TRUST DIRECTORS

C. S. Gunn and E. K. Williams, K.C., have been appointed to the board of directors of National Trust Co. Mr. Gunn is president of C. S. Gunn & Co. and a director of Martin Paper Products Ltd. Mr. Williams, member of the law firm of Williams, Dilts, Baker & Laidlaw, is president of the Law Society of Manitoba and a member of the Senate of the University of Manitoba.

Investment Suggestions

Our January Bond List includes an article on Canadian Government Bond Financing in 1942, and a wide choice of securities for investment.

Dominion and Provincial Bonds— to yield 2.88%-3.67%

Corporation Bonds— to yield 2.98%-8.98%

Preferred and Common Stocks— to yield 3.87%-9.41%

Copies will be furnished gladly upon request.

36 King Street West
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Telephone: ELgin 4321

Wood, Gundy & Company Limited

B.C. Timber Industry Gets Tax Concessions

Depletion Allowances to Be Granted All Who Cut Sawlogs, in Order to Spur Production; Will Aid Many Operators

From Our Own Correspondent

VANCOUVER. — Important tax concessions have been granted to British Columbia's timber industry to encourage production this year.

Timber depletion allowances will be granted to all who cut sawlogs, whether or not they are actively engaged in other lines of timber activity. Those cutting pulpwood, for instance, will get the special allowances, but only in respect of sawlogs.

The concessions recognize that the industry is depleting standing timber at a fast rate during a period of abnormal costs, as a contribution to the war effort.

The allowance is not a bonus or subsidy, but represents an allowable deduction from taxable income. It will be of no benefit to logging operators who experience a loss.

On the other hand it should be the means of enabling numerous operators to carry on who otherwise could not see their way to continuing costly logging operations, depleting their stands of timber, without having enough to show for it to maintain their organizations and secure new stands for future operations.

To Spur Production

The concessions have been designed to provide the greatest advantage to those who put forward the most effort to increase production. There will be an allowance of $1 per thousand feet on all sawlogs cut in 1943, but there will be an additional allowance of the same amount for all sawlogs cut in 1943 that are in excess of 60% of sawlogs cut in 1941, or, in special circumstances, to sawlogs cut in 1943 that are in excess of 60% of sawlogs cut in 1942.

The concessions have been welcomed by the industry, but the open-market loggers—that is, the loggers not directly affiliated with operating sawmill companies—feel that they are still being overlooked by Ottawa, inasmuch as they have had only one price increase since the war started, compared with several advances in the price of finished lumber. They also say there has been no compensation for the loss of export privileges in the United States, where much higher log prices were obtainable.

The loggers' case will be presented to Timber Controller A. H. Williamson when he comes to the coast this month.

Dominion Tar Co. Output at Peak

Production in 1942 Sets Record; New Units in Full Operation

Dominion Tar & Chemical Co. in 1942 operated at close to effective capacity. Production set a record and much of it went directly into the war effort. The new unit erected in Toronto was in full operation. The salt plant also was active and reached peak output.

Retire Preferred Stock

The company's subsidiary, Alberta Wood Preserving Co., redeemed its outstanding 7% cumulative preferred shares Jan. 1, 1943.

During the last year the company, through its engineering department, participated in the construction of the Alaska Highway by designing and supplying lumber for bridges, culverts, etc.

Paramount Calls First Preferred

Half of Convertible $12.1 Millions Issue to be Redeemed

Paramount Pictures, Inc., plans to redeem on April 1, 1943, one half of the $12.1 millions first preferred stock now outstanding. Shares to be redeemed will be drawn by lots and announced Jan. 22. The stock is redeemable at par of $100 a share.

First preferred shares are convertible into seven shares of common stock but shares called for redemption must be converted by March 18. This latest move is believed to be a further step in the 1937 programme intended to eliminate all securities ahead of the common stock. A second preferred issue was retired early last year and funded debt has been consolidated and reduced.

Dividends accruing during the first quarter of 1943 on each share of first preferred is $1.50 and amount of regular dividends on the seven shares of common into which each first preferred share is convertible is $2.10, the company points out.

CAPITAL WANTED

"Due to increased demand for Ceramics for war needs Company being formed holding large China Clay deposits ready for patenting. Desirous connecting with industrialists, financiers, or brokers, to obtain necessary capital. Apply Box No. 8, The Financial Post, Toronto.

The Shareholder

Some time ago it was suggested in The Financial Post that stock markets in Canada might continue to make gains after the rise had slowed down, or even stopped, in New York. This was based on the fact that stock markets here were slower getting started last summer and had not made as great percentage gains by the year-end as had those in the United States.

This has proved to be the case. New 1942-43 highs have been made in Montreal and Toronto since the New Year, attaining by a clear margin new peaks for many months past. There is, of course, no real proof that the current rise in New York has been completed although note of caution is clearly seen in comment from that centre. But in recent weeks stock exchanges in Canada have done much to overcome the lag noted a while ago.

• • •

Time payment purchases of securities, a plan offered last May by Goodwin Harris & Co., Toronto, has been successful, it is claimed. This firm draws attention to an appreciation of 27% in the list of 12 stocks recommended at that time and claims that "many securities are still under-valued" in recommending a list of stocks it feels will be both active during the war and have expansion possibilities when peace comes. The methods of merchandising stocks developed are still favored and time payment plans continue available.

• • •

Based on figures for 10 months of 1942 it appears probable that Canada secured more than $100 millions of new U. S. capital through sale of securities in that country last year. Up to the end of October last a net total of $95.6 millions had been realized from this source, suggesting an all-time record as a possibility before the end of the year. Activity in October was stimulated by Canada's Third Victory Loan campaign. Throughout the past year Dominion and Dominion guaranteed bonds have proved favorites in the United States, a fact which has been an important help in maintaining prices in this country and handling liquidation on the part of Canadian buyers of Victory bonds. Some doubts are expressed, however, as to whether this rate of net sale in the U. S. can be maintained. This is based on the rapidity with which that country's own war effort is concentrating attention of investors on its own securities and the likelihood of heavier income taxes in that country.

• • •

Trend of profits reported by companies in the United Kingdom has been stable under the influence of excess profits taxes, The Economist finds in its latest computation covering the third quarter of 1942. Its tabulation of net profits of 474 companies, before standard income tax but after excess profits tax rose just over 2%. In commenting on these results The Economist points out that an appreciable part of the rise in profits has resulted when company directors wrote back into earnings some of the excess reserves set aside for taxes and other special purposes in early years of the war. It appears that the cautious policy followed has hardly been justified by actual experience. Another factor in the showing that is of interest in Canada is the effect of completion of conversion from peace to war work on the part of a number of concerns, thus restoring earning capacity again to EPT standards.

G. Tamblyn Ltd. reports that retail sales showed a marked increase during 1942, with December sales setting a new record as did sales for the year. One Toronto store was closed to get stock and fixtures for the St. Catharines unit, which was burned out in November. The St. Catharines store is officially said to be doing exceptionally well.

Wing your way to a hi-speed duplicating record with Script Mimeo Bond. This fuzz-free stock is made for smooth performance—won't pluck, won't clogg, won't buckle. Will save time and paper and see you through to a flying finish on any duplicating job.

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A PROVINCIAL PAPER

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
*1935 to date:												
High	134.8	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	76.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
Sept.	77.9	55.9	62.0	49.0	99.8	74.2	98.7	71.2	67.1	69.0	69.2	62.6
Oct.	80.3	57.8	64.9	51.0	99.6	74.0	98.9	70.8	67.9	70.3	72.0	65.0
Nov.	82.5	62.6	72.3	53.7	101.6	77.1	105.3	74.9	72.1	72.3	77.6	67.6
1942: Weekly Figures:												
Dec. 3	84.3	66.3	79.3	55.4	104.1	82.3	108.8	78.9	77.9	74.1	82.0	69.5
Dec. 10	85.6	67.0	83.3	55.2	100.1	83.7	108.9	77.8	76.8	73.9	80.8	69.3
Dec. 17	86.3	72.1	80.8	55.7	108.7	81.5	107.7	78.8	81.2	74.1	84.5	70.9
Dec. 24	87.0	73.1	80.8	59.8	108.6	81.8	108.2	81.1	82.2	74.6	85.1	72.4
Dec. 31	85.0	72.4	80.8	60.6	110.9	82.8	106.4	80.8	82.5	75.0	84.9	72.5
1943:												
Jan. 7	87.6	73.3	81.0	62.0	111.7	84.9	107.5	83.0	85.0	75.6	87.7	73.8

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 12	101.91	71.73	66.70	19.42
Jan. 11	101.61	72.57	66.25	19.20
Jan. 9	101.25	72.28	65.95	18.79
Jan. 8	100.59	72.15	65.16	18.57
Jan. 7	100.11	72.00	64.85	18.30
Jan. 6	99.77	71.02	64.36	18.31
Month ago	95.62	64.14	62.57	17.62
Year ago	91.18	61.79	60.20	18.73
High 1942-3	101.97	83.71	71.01	19.42
Low 1942-3	79.85	50.16	50.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cmd.	10 Ppra.	15 Golds
Jan. 12	53.7	65.9	61.8	77.37	51.67
Jan. 11	53.3	65.8	61.7	76.84	50.82
Jan. 9	53.2	65.6	61.5	76.29	50.99
Jan. 8	52.9	64.8	60.8	75.77	50.99
Jan. 7	52.3	63.9	60.1	74.47	50.82
Jan. 6	52.2	63.9	60.0	74.11	50.97
Month ago	49.3	62.3	57.9	65.55	48.45
Year ago	42.4	60.3	54.5	75.33	54.70
High '42-3	53.7	65.9	61.8	77.37	54.82
Low '42-3	39.6	53.5	48.8	47.78	33.67

"Greatest employment increase of all is registered by Windsor—"

—From The Financial Post

—at the highest average weekly industrial pay envelope in Canada—

October, 1942, Dominion Bureau of Statistics

Ottawa	$24.49	Toronto	$30.69
Quebec	$24.82	Hamilton	$32.05
Winnipeg	$27.56	Vancouver	$32.22
Montreal	$29.24	WINDSOR	$40.07

The Windsor Daily Star

December, 1942, net 55,029 daily circulation

12,043 MORE COPIES DAILY THAN IN AUGUST, 1939

Hon. J. L. Ilsley, Minister of Finance, last week met some 150 members of the periodical press of Canada. At an all-day session in Toronto the pattern of wartime finance in Canada was discussed, ideas for doing the job better were exchanged. Editors who attended represented publications which reach the great majority of Canadian readers, including farm, financial, insurance, religious, technical and trade papers and magazines covering more general subjects. On Mr. Ilsley's left are Floyd S. Chalmers, chairman at the evening dinner which the Finance Minister addressed; G. W. Spinney, chairman of the National War Finance Committee; and F. I. Ker, chairman of the Canadian Publishers War Finance Publicity Committee.

Views Diverge on Union Law

Ontario Legislature to Consider Collective Bargaining

A collective bargaining measure, sponsored by the government, will be one of the major issues to come before the 1943 session of the Ontario Legislation scheduled to open early in February. Notice of this has been served by Hon. Peter Heenan, Minister of Labor, and it's understood that spokesmen for workers, employers and other interested groups are already making their views known to the government.

Unions would have works councils, company unions and similar types of employer-sponsored organizations outlawed.. They claim that such organizations cannot be free from the influence of the employer, and that they do not meet the needs of the workers.

Employers, generally, maintain that company unions and works councils are doing a good job, and ask why a method which is giving good service should be outlawed. They say not more than 15% of workers in Ontario are now members of trade unions, hold that this is an indicator of the real extent of the workers' desire for outside representation in bargaining with their employers.

Other requests which unions may make include clauses making the closed shop compulsory, probably subject to meeting specified requirements and to a clear expression of the desire of workers for such action. Use of the check-off system of collecting union dues is another probable request, although labor opinion on this is far from unanimous.

Make Unions Responsible

Counter proposals will not be lacking. It is almost certain that Ontario will be asked to bring in some provision requiring unions be made more responsible for the actions of their members. Action along this line might include a requirement that unions incorporate and file returns showing their constitution and by-laws and officers give audited financial reports. As an alternative to incorporation, it is likely to be proposed that unions at least be required to register, reporting their officers and perhaps number of members, fees collected and payments made. This information would be public.

Some of the management groups say that if unions are to be encouraged and given a legal status, they should accept legal responsibility, preferably through incorporation, and be compelled to live up to agreements.

The question of creating a special board to deal with legal questions arising out of labor legislation will probably be raised. Some say such a board would tend to expedite decisions on questions in dispute. The C.C.F. is said to support this proposal.

Quebec recognizes trade unions as "lawful associations." Ontario and Prince Edward Island have no legislation dealing with trade unions or collective bargaining. Alberta, British Columbia and Nova Scotia make collective bargaining compulsory; Manitoba, Quebec, Saskatchewan and New Brunswick make it lawful but not compulsory.

The National Industrial Conference, held in Ottawa in 1919 and attended by representatives of employers and employees, formally recognized the right of workers to join any lawful organization. Up to 1937, however, there was no provincial legislation dealing with collective bargaining or trade unions except in Quebec, which had the Professional Syndicates' Act. The Dominion had enacted the Trades Union Act which, in return for registration and filing returns, purported to make unions lawful, but power of the Dominion to enact such legislation has been questioned.

Wagner Act Influence

In 1935 the United States passed the National Labor Relations Act, better known as the Wagner Act. In 1937 and 1938 all provinces, except Ontario and P.E.I. enacted some kind of collective bargaining legislation.

The closed shop is recognized or permitted in Alberta, British Columbia, Quebec and Saskatchewan.

Only Nova Scotia provides that the check-off may be used; no other province refers to it.

Only Manitoba does not require trade unions to file information, the amount varying between provinces.

Alberta, British Columbia, Manitoba, New Brunswick and Saskatchewan mention intimidation as an offense.

Latest moves on collective bargaining are two taken by the Dominion.

In June, 1940, order in council P.C. 2685 set out the principles of labor legislation in war industries, including the principle that employers should collectively bargain with representatives of their employees. This has not yet been made mandatory.

On Dec. 1, 1942, order in council P.C. 10802 set up collective bargaining provisions for Crown companies. This order provides that no official or agent of a Crown company shall participate in, or interfere with, the formation or operation of a trade union.

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Notice is hereby given that pursuant to the terms of the Act 22 Geo. V. (1932) Chapter Five and of the Prospectus of Issue of the Bonds the Montreal Trust Company, Trustee of the Sinking Fund, has drawn for redemption the bonds hereunder listed, to the capital par value of $20,000.00 and that the said listed bonds will be redeemed on the First day of February, 1943, at par, with accrued interest on the principal thereof to the First day of February, 1943, at any of the principal offices of The Royal Bank of Canada in the cities of St. John's (Newfoundland), Montreal or Toronto (Canada) upon surrender of said bonds with coupons due on the First day of February, 1943, and with all subsequent coupons appertaining thereto, at any of the said offices on said date.

Holders of bonds are required to present their bonds and coupons as aforesaid for redemption at one of the said offices on the said date; and in case such presentation be not made on the said date all interest on such bonds shall cease from and after the said First day of February, 1943.

Numbers and Denominations of Bonds to be Redeemed:

SERIES A — $1,000 Denomination — 002, 018, 110, 122, 131, 135, 136, 223, 260, 300.

SERIES B — $500 Denomination — 001, 011, 018, 025, 040, 043, 063, 126, 143, 208, 224, 241.

SERIES C — $100 Denomination — 052, 055, 074, 080, 113, 120, 138, 158, 163, 169, 176, 250, 290, 298, 312, 341, 342, 371, 378, 386, 401, 408, 442, 453, 481, 498, 516, 530, 533, 535, 567, 568, 584, 593, 613, 621, 689, 724, 732, 742.

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The Bondholder

Third Victory Loan breakdown shows the progress being made toward distribution of Dominion securities among a greater number of Canadians — this being one of the prime aims of National War Finance officials. The last loan was sold to 2,041,610 subscribers as compared with 1,681,267 for the Second Victory Loan and 968,259 for the First Victory Loan. Increasing the number of individual sales is expected to be a continuing objective of the next loan campaign which will probably break around the end of April or early in May.

Of the $991 millions raised for the Third Victory Loan individuals bought some $401 millions and all others (corporations, etc.) took up $591 millions, the 40% coming from individuals being about the same percentage as in the previous two loans. As there has been an increase in the purchasing power of many individuals since the date of the First Victory Loan in June, 1941, there appears to be some reason to feel that the 40% proportion could be increased.

Along with attempting to broaden its base of distribution the pattern of the next loan appears likely to include some accelerated effort to make the bonds stick once they are sold. Up to Nov. 30, 1942, 11.71% of the $50 First Victory Loan bonds and 5.27% of the $100 bonds have been resold by the public to the banks, while 23.91% of the $50 Second Victory Loan bonds and 9.49% of the $100 bonds have been similarly resold.

• • •

War Savings Stamps sales are to be stimulated by a series of national campaigns sponsored by different branches of trade. Currently under way is a drive organized by 7,000 hairdressing shops and beauty salons throughout Canada. Next month the food industry will get another campaign under way.

As with the lower denomination Victory Loan bonds, redemptions of war savings certificates are running at a comparatively high figure. Current monthly sales are something over $6 millions while redemptions are running over $2 millions. This form of loan is viewed as an important method of diverting spare cash and thus helping to reduce consumer purchasing power.

Sales of stamps alone are understood to be running around $1 million a month of which some 25% to 30% are being bought by school children.

• • •

Comparison of methods used by Canada in wartime with those of the United States is made by a Chicago economist who points out that the American per capita national debt has overtaken ours and is mounting about three times as fast as the rate here. He goes on:

"The Dominion is already in the fourth year of war, but spends in this fiscal year in dollar terms just about one twentieth ($4 billions) of what we spend. But in real effort it spends more. It has about 3½ million people mobilized in the armed forces and for war production, which is far more than one half of its total labor force. We expect to have that much of our manpower mobilized after the middle of next year. The reason Canada spends less dollars per capita is because she is more economical in the way of spending. She didn't raise farm prices as we did, and kept wages on a reasonable level. Bureaucratic overhead is equally restrained compared to ours. Moreover, while we are barely covering one third of our Federal expenditures by taxation, Canada covers one half of hers. And nothing like our percentage of new debt goes into banks to inflate the deposit volume. The major part of the Canadian issues is sold to the general public and to savings institutions (at higher than our interest rates)."

Forced Savings Not Raided

Ilsley Statement Does Not Presage Cancellation of Refunds

By STAFF WRITER

OTTAWA.—Fears that the year-end statement of Hon. J. L. Ilsley foreshadowed a new policy in respect of corporation and individual refundable or savings tax portions are unfounded, The Financial Post is informed.

In his statement, Mr. Ilsley included refundable taxes (estimated to yield about $95 millions in 1942-43) in his new estimate of government revenue.

This was not the case when he made his budget speech on June 23, 1942.

At that time he made a calculation for government revenue that was exclusive of the amount to be collected by way of refundable or earmarked taxes.

Caused Speculation

Some wondered whether this bringing of the $95 millions within the orbit of government revenue implied a new policy, whether it meant that the government was no longer intending to earmark these refundable taxes. Was this the opening wedge in merging these moneys into the general funds of the country and barring the way to postwar return to individuals and corporations?

The government's answer is that such fears are entirely unfounded.

It is pointed out that revisions of budget estimates such as were made by Mr. Ilsley a few days ago, are necessarily on the basis of "current" results. On this basis it is only possible to use "gross" figures rather than the "net" figures which were used in making up the original budget estimate.

It is pointed out also that at the moment there is no way of ascertaining how much money is coming in to the Treasury by way of refundable taxes. The amount of these will not be finally known until all returns have been made by individual taxpayers after they have filed their papers next September.

A test check of certain typical groups of taxpayers does, however, suggest that the government was probably not far wrong in its original estimate of $95 millions.

New Brunswick Offers Bonds

3½% Issue Replaces 5% Coupon; Sinking Fund Retires $400,000

New Brunswick is offering a refunding issue of $1,250,000 3½% debentures due Jan. 15, 1955, at 99½ to yield 3.55%, through a syndicate headed by Dominion Securities Corp. and Bell, Gouinlock & Co. The issue refunds the $1,650,000 of 5% bonds which matured Jan. 15, 1943, balance of $400,000 being retired by sinking fund.

Financial affairs of New Brunswick have shown a material improvement during the last few years. In the recently issued statement on results for the fiscal year ended Oct. 31, 1942, provincial treasury officials reported ordinary revenues of $11.8 millions for a record surplus of $1,159,250. Net debt was reduced during the year by $977,678, following a reduction of $807,000 in the preceding year.

Second Inter-State Royalty Corp. reports investments in oil royalties had a book value of $296,797 at the end of 1942. Gross revenue from royalty income since acquisition amounted to $69,386 up to Nov. 30 last, and reserve for depletion, $19,081 for the same period. During November, the corporation had a gross royalty income of $636, while the accumulated royalty income for 1942 to Nov. 30 amounted to $11,808.

Student Status Cleared By College Conference

No Draft Sanctuary Provided by Universities — Most Students Already Allocated to Essential or Military Work

Government policy toward university "Arts" students, and the policies of the universities themselves, have been clarified but not changed by the Universities Conference held at Ottawa late last week. The clarification of policy is expected to put a damper on a protracted manpower controversy by making clear that:

1. Attendance at a university gives no sanctuary against a draft call except for those students in scientific and technical courses protected by government order, hence closing "Arts" courses would not add to available manpower.

2. Even in the "protected" categories, and throughout the university courses, students who fail to measure up to academic standards are being expelled. Special mid-term examinations are being held for this purpose, some students have already been dismissed and more are to follow shortly.

3. All physically fit students take Canadian Officers' Training Corps work, many being on call at the army's convenience. As part of Canada's military organization, the C.O.T.C. is a corps of the reserve army, hence can be called for home defense in emergency.

4. A large proportion of "Arts" students are in the courses "frozen" by government order, i.e., are studying mathematics, physics and chemistry, and rank as technical students. Registration in other "Arts" courses, history, economics, languages, etc., has fallen off sharply; further inroads may jeopardize Canada's future supply of trained high school teachers.

"Arts" Courses Justified?

Origin of the meeting which brought these facts to light has been the continuing efforts of the Canadian universities to make the greatest possible contribution to the war effort. Basic question in the minds of the educationists has been: "Is the continuance of 'Arts' courses in wartime justified?".

After canvassing the situation in all the Dominion's chief universities, the university representatives decided that they were. Their decision was concurred in wholeheartedly by Arthur MacNamara, director of National Selective Service who asserted that Canada's manpower needs are not so pressing that they require anyone under 16 "or perhaps even 18 years" who can profit from continued education, to sacrifice it at the present time.

"We need today and we shall need even more after the war not only men and women trained to do particular jobs competently, but men and women who have been educated," he said.

No responsible voices have questioned the wartime importance of scientific training. By order in council, the Dominion Government has "frozen" students in scientific and medical studies.

This means that they cannot be called up save in emergency for military duty nor may they be approached to take any kind of employment before graduation. At that time they are obligated to accept work in essential war industry as directed by National Selective Service or to volunteer for active service.

Training Speed-up

In an attempt to meet the shortage of doctors, both for military and civilian purposes, some medical schools are now working 12 months of the year (instead of about seven) so as to graduate doctors in half the normal training time.

The government also fosters specialized training by paying fees for some medical students and by offering loans for the education of students in scientific training.

Some universities are speeding up production of arts students. The University of Toronto, for instance, grants a B.A. degree to students in honor courses who have completed three years' college training and who later show that they have served a minimum of eight months in the armed services. Students in the pass course who complete two years of work and get honor examination marks also get a B.A. upon completion of eight months in the services.

Mr. MacNamara, in his address to the Universities Conference, emphasized the importance of maintaining all parts of the educational system. "The greatest asset of our nation is its younger generation," he said. "On its quality our whole future depends and we must make every effort to maintain our educational standards to ensure maintenance of its quality. We cannot afford under the stress of wartime conditions to overlook the problems of postwar reconstruction in which education will play so vital a part."

The N.S.S. director made it very clear that he regarded the continued flow of teachers from Canadian universities for primary and secondary educational institutions of major importance. He stated that he did not at this time encourage the enlistment of high school teachers.

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Legal Opinion: Messrs. Holden, Heward & Holden.

In the opinion of Counsel, these debentures will be direct obligations of the Province of Quebec, and will be a charge as to principal and interest upon the Consolidated Revenue Fund of the Province. The purpose of this issue, together with two issues aggregating $20,000,000 in principal amount of 3-Year 2½% Sinking Fund Debentures of the Province which have been sold privately, is to refund in part (after application of relative Sinking Funds) a loan of $25,000,000 which will mature on February 15th, 1943, and a temporary loan effected to meet at maturity a loan of $12,000,000 which matured on January 2nd, 1943, and to reimburse the Consolidated Revenue Fund for an expenditure of an amount of $1,970,000 charged against such Fund to effect the repayment of a loan of the Province for that amount, which matured on November 15th, 1942.

A Sinking Fund of an amount equal to at least 1% of the face value of the outstanding debentures of this issue will be provided annually.

Particulars of the Funded Debt and other financial statistics will be found in the official prospectus which is available upon request.

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The statements contained herein are based upon information obtained from official sources but are in no event to be construed as representations by us.

January 14th, 1943.

The Editorial Page . .

Let's Not Blunder This Time

There is fine talk current about how the United Nations will exact penalties for war crimes; how the individual Nazis and Japs guilty of crimes against troops, prisoners, and civilian populations will be brought before a court and penalized.

It is to be hoped that authorities are now laying the groundwork of these trials; that they have learned something from the fiasco of war guilt trials after the first Great War.

Here are a few highlights of the record of that fiasco as reported by the magazine Free World.

Commission of Fifteen appointed January 1919 to inquire into and report on violations of international law chargeable to Germany and her Allies.

Some 900 names of German war criminals were presented to German Government February 1920, with the reservation that the list did not comprise "all the authors of the innumerable crimes committed during the course of the war by the Germans."

Though in signing the peace treaty, the Germans had solemnly obligated themselves to deliver up the accused for trial, they soon reneged. Germany proposed, as a compromise to handing over her criminals, trying them herself before the Supreme Court of Leipzig. The Allies agreed and sent a test list of only 45 war criminals it wanted charged. These "trials" began May, 1921, two and a half years after the Armistice. The Germans "were not able to find" some of the offenders the Allies were most anxious to have brought to justice.

Hence, result of the Leipzig trial was this: the original list of 900 criminals had been reduced to 45; of the 45 only 12 were actually tried; of the 12 only 6 were convicted. Most of the penalties were six or ten months in prison. One German major was sentenced to two years for killing wounded war prisoners and homicide in misinterpreting orders.

In January, 1922, a commission of Allied jurists started to inquire into this farce. There were protests that Germany "had not kept its promise to administer justice objectively and loyally."

That's as far as the Allies got in the atrocity trials.

It's a feeble spectacle. Surely this time we can do better.

Postwar Reserves Vital

If Canadian industry is to do the postwar job expected of it then it must come out of this war with strong reserves. That very basic point was stressed by Beaudry Leman, president of the Banque Canadienne Nationale in his annual address to shareholders.

Said Mr. Leman:

"Numerous industrial concerns, whose plant and machinery depreciate all the more rapidly that the demands upon their output is greater, are not able to retain, after payment of taxes, the amounts necessary to amortize their installations and provide for their modernization. When the war is over, how will our industrial establishments be able to cope with the demands made upon them for reconstruction abroad and for the maintenance of acceptable social standards in Canada, if these enterprises, big and small, are not in sound financial condition?"

Only corporations that are in a sound position and with strong financial reserves will be able to swing quickly from war to peace and thus provide prompt and large scale employment that is vital to our postwar recovery. An example of this sort of recovery was furnished by the automotive industry during the depression. Courageously, through those dark years, the industry maintained production, research and sales work and, as a result, did much to steady business generally and gradually bring it back.

"Security at Their Own Expense"

An editorial in the current Canadian Forum is an interesting revelation of the Canadian socialist intellect at work.

Commenting on the Beveridge report, which our socialists deplore as a capitalist sop, The Forum defines "social insurance" as protection given to people "largely at their own expense." What the Forum wants is "social security" which, it maintains, comes only in a socialist state.

Canadian socialists are, of course, entitled to hold the view that some kind of government system which they might choose to call socialist offers better prospects of providing what they call "social security" than the individual enterprise system. But despite their long efforts, they are still a small minority in United Nations countries. They suffer, too, from the fact that the achievements of the individual enterprise system have been abundantly demonstrated, whereas socialism is still just a paper plan.

The only country where any genuine attempt was made to abandon the system of special awards for initiative, enterprise, and results was Russia.

The Financial Post's Platform for War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme for postwar Canada, providing for fullest possible employment and improving social standards, through free competitive enterprise.*

And, unfortunately for socialists, Russia very promptly abandoned that attempt, and for over a decade, has been embracing more and more the system of special awards for initiative, enterprise and results.

But the most interesting thing in The Forum editorial is the criticism that social insurance seeks to provide people with protection "largely at their own expense."

This criticism implies the belief that there is some reservoir of money somewhere, some pool of resources, from which society can pay its bills and without any "cost" to citizens.

Do the socialists suggest that the means to provide their social security will fall upon the earth as manna from heaven? Do they think there is a magic which gives nations and societies anything they do not work for and produce?

The promise of "something for nothing," of social security without effort, of protection against all the ills and hazards of life served up cafeteria-style with no cashier at the end of the line, is one of the great illusions of our time. And those who propagate it, as does The Canadian Forum, are as unrealistic in their thinking as they are cruel and merciless in the delusions which they pass on to those who believe them.

Must Name Printer

Two pamphlets coming to The Financial Post in recent days suggest that a number of people are unwittingly failing to comply with the law, hence rendering themselves liable to heavy penalties under the Defense of Canada regulations.

On neither of the two pamphlets in question does the name of the printer appear.

Both of these pamphlets come under Order-in-Council 4201 of May 19, 1942, which requires that any printed document containing any news or comment of a political, social or religious nature must have printed upon it the name of the person or firm which has done the printing job, together with the business address of the printer.

Why Ban Margarine?

Canadians are behind the government in supporting the rationing of butter, but why the deadly silence in Ottawa respecting a very satisfactory substitute—oleomargarine? Margarine was manufactured and used in Canada during the closing years of the last war when there was a shortage of butter. For 31 years before the importation or manufacture of it was banned in Canada at the insistence of the dairy farmer. From 1917 to 1927 margarine was legalized in Canada, but then in the latter year an Order-in-Council was passed, again at the insistence of the dairy producers, putting the product back on the blacklist, where it has stayed ever since.

Over the course of years margarine has been greatly improved both in appearance, taste and food value. In particular the progress has been most marked since the beginning of the present war. Reinforced with vitamins, it can hardly be distinguished from butter, an opinion supported by Canadian soldiers in England.

The manufacture and sale of margarine is legal in both Britain and the United States. Why not in Canada, especially at this time when domestic supplies of butter are inadequate? Admittedly the organized dairy farmer doesn't want margarine on the Canadian market competing with Canadian butter, but are the needs of the consuming public to be subordinated to the demands of one group of our population only?

True, raw materials for this butter substitute are not too plentiful today, but even the smallest supply would help. Moreover the potential amount of margarine available has nothing to do with making a decision in this case. The original ban was imposed on the understanding that Canadian consumers would never suffer for lack of butter.

Imposition of butter rationing is official admission that the last flimsy ground for the banning of oleomargarine has completely disappeared.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

United States Industrialists Prepare

Backed by an imposing array of top ranking industrialists, a group known as the Committee for Economic Development, has been organized in the United States to prepare for the adjustment to peace. It is headed by Paul G. Hoffman, president of Studebaker Corp., with William Benton of the University of Chicago as vice-chairman. Below is a brief news summary of the programme of CED, which probably represents the most important effort yet made by private U. S. industry to deal with postwar problems, especially employment.

* * *

To assure a satisfactory level of employment in the post-war period, United States must be prepared to provide in the neighborhood of 55 million jobs, some nine million more than in 1940, as soon as possible after hostilities cease. This is the opinion of the Committee for Economic Development, a recently organized group of business leaders.

Outlining the Committee's programme, Chairman Paul G. Hoffman, explains that to achieve this employment objective the U. S. must produce and sell an annual output worth between $135 and $150 billion or 35% to 50% more than in 1940. To aid in reaching these goals, it is argued American business must plan for an unprecedented post-war acceleration in its output of peacetime products.

These objectives, it is felt, can be reached, and new jobs created in sufficient numbers, only if a substantial majority of American businessmen begin to make their post-war plans now and provided an environment favorable to business enterprise prevails.

The Committee was originally sponsored by the U. S. Department of Commerce, and the Department is co-operating in this effort to stimulate a maximum business contribution to the post-war economy. However, the Committee is separately incorporated and privately financed by business. Its Board is self-perpetuating, and elects its own successors.

Two major types of effort will be undertaken: research on basic problems of the post-war economy, and stimulation of local business groups in every community to begin canvassing their individual post-war possibilities now.

District chairmen numbering between 135 and 150 will be selected, about one for each million population, and they will constitute, with the Board of Trustees and the various committees, the Committee for Economic Development. Local Chairmen for all principal towns and cities in the various trading areas of the nation will also be appointed.

"Through this 'grass roots' local community approach to the employment problem, the Committee hopes to help the country's legions of small businessmen make their maximum contribution to re-employment." Says Mr. Hoffman: "In the aggregate the small businessman provides many millions with their livelihood, and furnishes the seed-bed for the entire system of a free competitive economy. In fact, the very foundation of the American economic system rests on healthy, productive, small business enterprises. We expect to urge every employer, small or large, to ask himself, 'How can I put my neighbors' sons back into peacetime work, making or selling the things we all need?'

"If employers all over the country now set their minds at work they will uncover opportunities to make and sell enough goods at prices people can pay to provide in substantial numbers the jobs the people will demand. We must assume an environment favorable to business enterprise. Getting ready to provide such jobs for returning soldiers, sailors and war-workers is the very least business must do towards maintaining a free society and high standards of living."

Local Chairmen have been appointed and local committees affiliated with the Committee for Economic Development are now functioning in three test communities—Peoria, Illinois; Reading, Pennslyvania; and Wheeling, West Virginia. Based on the experience in these three cities, plans will be developed for the national programme.

"The Committee in no sense will attempt over-all national planning," says Mr. Hoffman. "This is an effort by businessmen to stimulate maximum productivity and high employment after the war. The success which business will have in providing a high volume of employment depends in part on conditions beyond its control. This fact, however, does not relieve any businessman of the responsibility for exerting his own maximum effort to create and maintain as many real jobs as possible."

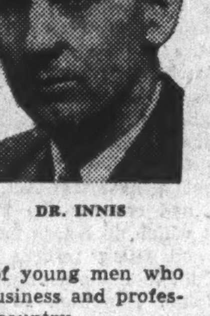
Cartoon by Grassick.

YOUR MONEY SHOULD SERVE FOR THE DURATION, TOO!

Post-Scripts . . . .

Father of Economic History

One of the newest academic honors to come to Canada is the recent appointment of an outstanding Canadian to presidency of an international body of top top-notchers in the field—that of the Economic History Association.



DR. INNIS

The new president is Harold A. (for Adams) Innis, head of the Department of Political Economy, University of Toronto. He has been teaching economic history in that big institution for over 22 years. He is a well-known and very popular figure with thousands of young men who are moving up the business and professional ladder of this country.

Born in Otterville, Ontario, in 1894, gangling Innis went to Woodstock collegiate, then to McMaster University. When he was an undergraduate, McMaster occupied the old red building on Bloor Street, Toronto, now the seat of the economics department which he heads.

Postgraduate work and romance he combined in Chicago, getting a Doctor of Philosophy degree and a wife, Mary Quayle, known to many Canadians for charming and debonair short stories. During the first world war he was a signaller and returned gravely wounded.

Dr. Innis has really fathered economic history in this country. Before his work very little penetrating research had been done to find out how business in this country developed and why it works the way it does. In addition to a carload of pamphlets, papers and special lectures, he has written definitive works on the fur trade in Canada, the cod fisheries, mining, frontier settlements, the Canadian Pacific Railway and other phases of our business structure.

To do this pioneering research job, Dr. Innis has three tools: First, he has extraordinary constitution which makes it possible for him to work 16 hours a day, year in and year out.

Second, he has an unusual talent for stripping libraries of pertinent information buried in books, newspapers and old documents. Normally, he works within a stockade of a couple hundred books, each open at the relevant page, in several high piles on the floor around his desk.

Third—and unlike many researchers—he is a believer in going and taking a personal look over the things he is studying. This has taken him down the Mackenzie River, 900 miles of it by canoe. For that journey he learned to swim, but didn't need to.

There are only two places in Canada he hasn't yet been: up in the western Arctic and up in the east side of Hudson's Bay. He has never been in an airplane and doesn't want to be.

As a student of Canadian business development since the days of the earliest explorers, he is unusually well informed on events of today and yesterday; well aware of trends that are shaping events of tomorrow. Indicating his widespread interests which reach so far beyond academic walls, is his wide acquaintanceship with Canadians everywhere and in all sorts of occupations.

Warm hearted, very approachable, he is popular with the students. As executive head of one of the largest of the Arts faculties, he is known as a vigorous organizer; as a mighty battler for men and causes he believes in.

Dr. Innis is an outstanding North American product in a country where academic preferment has so often gone to men born in Britain or educated in British universities.

His sole academic exercise in Britain consists of giving one lecture to one of its most distinguished bodies.

* * *

No. 1 Driver

Alexander M. Miller decided long ago that there should be a much better way of getting around than walking. As a Rothesay, Scotland, youth he tramped 14 miles a day as a rural mail carrier. Came the important day when the Miller ability was recognized and the mail authorities gave him an important increase—from then on he had to walk 28 miles a day.

MR. MILLER

After that early experience it was only natural that Alex Miller would be interested in easier transportation and would hook up with an automobile maker. As director of advertising for Chrysler Corp. of Canada for 13 years he did an outstanding promotional job for the company and came to be held in high personal regard from coast to coast. The bang-up job Alex Miller did was given much of the credit for the steady rise in Chrysler passenger car sales from 1929 to 1939.

Between the Scottish mail carrier and the Chrysler No. 1 advertising man is a record of painstaking effort, of years of unflagging drive and initiative. Alex Miller started his Canadian life as a parceller in a Toronto department store. His formal education was not great, he had quit school at 14 but that proved no bar to his desire to go through university. By working as a fire ranger in the summer, a night watchman in the winter, he put himself through Knox College, thus fitting himself for the ministry. He decided to stay on a year longer at university to study psychology, an interest which is still reflected by psychological tomes which help to weigh down the shelves of his well-stocked library.

Alex Miller's career has been marked by interest in boys and all over the world today are hundreds of men to whom he gave a helping hand in their younger days. During World War 1 he translated that consideration for others into drives for charity, Red Cross and similar purposes. So well did he organize and carry through such drives that once he boarded a liner at Montreal headed for overseas but a frantic appeal had him disembark at Quebec to come back and get another drive going.

As Chrysler's advertising manager his ability to turn out advertising ideas was supplemented by his drive in developing dealer relations. At a Quebec dealers' sales conference other Chrysler men gave their message in English; Alex Miller made a tremendous hit by speaking in French. Just to be able to do that he had studied French at night school. His technique ranged from that close attention to personal contact to a spectacle with mass appeal—the glittering Chrysler presentation which highlighted the automotive exhibit at the Canadian National Exhibition was another expression of the Miller touch.

Early last February Alex Miller obtained leave of absence from Chrysler to become regional office manager for the Oil Controller at Windsor. He is now moving to Small Arms Ltd. as its director of public relations. This Crown company is an important manufacturer of rifles and automatic guns. A big part of the Miller job will be within that large plant, getting down among the workers and selling them on their job. It is a case-proved fact that when war workers get the proper feel that the tide of battle and men's lives depend on how well they do their jobs then they will go all-out in production. Alex Miller's ability and background should serve him well in that post.

Directs Veteran Settlement

Crowded Ottawa will undoubtedly get quick relief when the war comes to an end and vast temporary office buildings may see their bulging offices gradually empty. But for one government office at least this trend will certainly not apply. For the administration of the new Veterans' Land Act, successor to the old Soldiers' Settlement Board, peace will mark the beginning of a rush which will probably last for a generation. Director of this organization is stocky, greyish Gordon Murchison

MR. MURCHISON

In Murchison, veterans will find a man who has been through the mill himself, with years of practical experience in settlement, soldiering and farming. Murchison was born and raised on a farm near Ripley in Grey County, but like so many of the young men from that part of Ontario and in that period he joined the great trek to western Canada in 1903. He is credited with having walked over more of Saskatchewan in search of land than most people have travelled by train. Finally he found something that satisfied him near Kindersley on the Goose Lake line from Calgary to Saskatoon. There he went through all the trials of the pioneer homesteader. Outbreak of the first Great War found him a well-established farmer, but that did not prevent him going overseas with the first contingent. He served four years with the 5th Battalion and the 1st Divisional Cavalry and was discharged with the exalted rank of corporal.

In 1919 Murchison joined the Soldier's Settlement Board as an inspector. From that job he gradually worked up through all positions of the old board with a brief intermission of three years as Alberta manager of the Canadian Farm Loan Board. In 1938 he came to Ottawa as Director of S.S.B. and last month lined the old organization up under the new appointment.

In this practical soldier settlement experience, Murchison found that under the first Great War plan too many veterans were allowed to pay far too much for farms that were far too poor. As a result these men were saddled with an impossible debt. He also found that far too many men unsuitable themselves or with unsuitable wives, had been permitted and without any preparation, to go on the land. If Gordon Murchison has his way, these mistakes will not be repeated this time.

* * *

Sayings of the Week

"Our business is to kill Nazis, not to keep books."—*Vladimir Kobtsev, Russian guerrilla, explaining inability to give accurate statistics on enemy losses.*

* * *

"I don't think we can expect, or ought to expect full repayment of lend-lease aid."—*Senator Geo. Norris, of Nebraska, retiring after 40 years in public office.*

* * *

"Had I followed his advice we would have had thousands more women in the Air Force than we have at present."—*Air Minister Power, speaking in Toronto this week and referring to J. S. Duncan, president Massey-Harris Co. and former Deputy Minister for Air.*

Other People's Views . . . .

The Canadian Editorial of the Week

Shipbuilding Ballyhoo

Canadian Shipping and Marine Engineering News

Last month we rubbed our eyes one morning to make sure we were seeing right when Mr. Kaiser claimed to have launched a 10,000-ton steamer in four days from laying the keel and delivered the complete ship in seven days.

Mr. Kaiser is a good showman and these individual records are no doubt accomplished with the sole idea of keeping in the public eye.

What would be of a great deal more interest to shipbuilders and others would be to learn three months after delivery how many voyages these record vessels have been able to make; how many thousand tons of cargo they have carried, and what repairs have been necessary to keep them floating. This information would fittingly complete the "ballyhoo" that Mr. Kaiser has started.

There is a minimum of hard manual labor required to build a ship, no matter how small. There is a definite minimum amount of manual labor required to complete even one rivet. In the anxiety not to lose the opportunity of being able to establish one more record in shipbuilding—one more record for putting in more rivets in one shift than anybody else—there is engendered the temptation to turn out work that is not as it should be.

The ocean puts a strain on all vessels that no inspector can put when he is examining work that has been done. It is not possible to test every rivet that is put into a steamer, but the first storm at sea will soon put every plate and rivet to the test. During the last war many ships built in the U. S. had to be re-riveted on the Clyde when they had managed to cross the Atlantic, and so it would be wise policy at present to take just a little more time to this shipbuilding and riveting business, and more use may be got from the vessels when they do begin the heavy task they have to perform.

* * *

As Others See Us . . .

Postwar Immigration

New Glasgow News

In a recent issue The Financial Post has editorially re-opened the Canadian immigration issue by pointing out that those who oppose it until there is no unemployment are, in effect, arguing against it altogether.

Canada is underpopulated. We would not have a manpower shortage now, with our present war effort, if it were not for that fact. We have great resources and great spaces waiting to be developed.

When the war is over we shall have a greatly increased productive capacity. Factories and machines have been put up for war purposes—and much of it can be converted to peacetime use if we have a market. Unless we use all this equipment, we face great unemployment for present workers and no jobs for the boys now in uniform.

This is undesirable and unwanted; so we must find the market. Our greatest market is, and always will be, the one at home. And if we want to increase that, we have to increase ourselves. Historically we have enjoyed our greatest prosperity when we were bringing in immigrants; when we were expanding with their aid. That is a fact which will be true when this war ends.

* * *

Butter Protection

St. Catharines Standard

No class more than the farmer has voted against monopoly in Canada. And yet the dairy farmer, as The Financial Post points out, has "by a high pressure lobby and doubtful politics," got his products highly protected against competition from sister dominions, and has secured a nation-wide ban against the manufacture of substitutes for butter.

On top of these advantages, the butter maker now gets ten cents per pound public money to encourage him to produce food which he insists should not be imported. The consumer, of course, gets it right in the neck.

* * *

Postwar Freedom

Montreal Gazette

There are very ominous predictions that business, meaning business in the hands of private individuals and companies, must plan during the war or perish after the war. It is as much a warning as a prediction and is based upon the fact, now universally acknowledged, that the postwar business future will depend upon the ability of industry to provide employment and maintain it.

If free enterprise does not work out its own salvation, then, say the prophets, government will step in, or rather, will stay in. There is too little evidence that Canadian business is addressing itself to an issue which is of vital concern to it, still less evidence that any real planning is being done or any programme being mapped. Things are a bit different in the United States. Horace T. Hunter, of Toronto, president of The MacLean Publishing Company, went to New York and while there interviewed seven prominent industrialists, spokesmen for companies whose aggregate production is declared to be greater than the total output of Canadian industry, including farms and fisheries. His findings, published in The Financial Post, are full of interest, because what is being done in the United States can be done here.

It is quite possible that business men in Canada are taking the same thought of the future, and are preparing. If so, we should like to know more of what they are doing, something of the general lines upon which they are working. It is a question of their own survival as free agents.

* * *

Stop Me If . . .

Robert Belaire, of the United Press, tells of tortures by Japanese in an effort to get correspondents to write statements which might be used as propaganda.

"Instead of torturing us what's to stop you from writing your own statements and putting our names to them?" asked Belaire.

"Oh," replied the horrified Jap officials, "that wouldn't be honest."

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Health Insurance

Canadian Plans Voluntary

Some State Medicine Now Being Practised on Limited Scale

By A. D. ELLWOOD

So far two provinces have compulsory health insurance statutes, neither of which have been put in force. Instead a number of voluntary systems of contributory insurance are working successfully, supplemented by sickness and accident insurance and some forms of life insurance.

State medicine, where the physician is in the pay of the community, is common in the prairie provinces, and in a modified form is part of the system of workmen's compensation and care of the indigent.

Canada has no state-sponsored health insurance plans in operation today, but in spite of that there are a wide variety of different types of voluntary schemes and state medicine with a considerable history of operations behind them.

State-sponsored health insurance schemes have tended more and more in recent years toward the compulsory sickness insurance plan while the number supporting voluntary schemes has dwindled to a handful, as pointed out by A. E. Grauer in a special report on "Public Assistance and Social Insurance" presented to the Royal Commission on Dominion-Provincial Relations.

Health insurance in Canada offers a wide variety of voluntary plans. There are the different policies offered by private insurers, which can be obtained to provide practically anything which the applicant desires or is willing or able to pay for. Many private companies offer such policies and some of the life insurance companies have a version of health insurance attached to their regular policies, although this is hardly a common practice.

A substantial movement has been under way in Ontario for a number of years, where a variety of voluntary associations are providing health insurance under plans closely related to that recommended and drawn up by the Ontario Medical Association several years ago.

Back in 1936, the Civil Service Association of Ontario introduced a plan to the Toronto Academy of Medicine to cover medical and other services on an insurance basis. The next year, the Ontario Medical Association having given the plan its support, an Ontario charter was granted to Associated Medical Services, Inc., as a non-profit organization to provide medical services through prepayment and on a voluntary basis.

This organization started on June 1, 1937, and now has 32,000 subscribers, of whom 18,000 are in Toronto.

Benefits and Costs

This plan generally provides for the participation by any registered medical practitioner in Ontario. Any person under 65 years of age can apply for membership in the Association, choosing his own doctor and, if accepted, becoming eligible after a qualifying period of two months to receive certain benefits covering medical care, hospital care, nursing and certain medicines and specialized treatment where called for.

Subscribers pay $2 monthly with reduced rates for dependents ranging down to $1 for the fourth and additional dependents.

This is probably the leading example of voluntary health insurance in Canada.

Windsor and Hollinger

Other organizations have developed schemes modelled after this early Ontario one. Mention might be made of the Windsor Medical Services and the Winnipeg Fire Fighters. The Windsor plan, which now has about 4,000 members, covers medical expenses and hospital care only.

At Timmins, the Hollinger Employees' Medical Services Association has established an enviable name for the work it is doing. The scheme now covers about 9,300 persons and has a record of successful operations behind it.

Plan for Hospital Care

Also in Ontario, and sponsored by the Ontario Hospital Association, is what is termed the "Plan for Hospital Care" which is designated as a "non-profit community service."

This is a voluntary organization to provide hospital care for the subscriber and his family on making monthly payments and under certain limitations. It provides 21 days of hospital care in each year, with no waiting period and no age limits. It does not cover doctor's services. A subscriber and his family can obtain standard ward hospital accommodation on a payment of $1 a month or semi-private accommodation at a cost of $1.50 monthly. It now has about 122,000 subscribers.

Mining Contract Practice

Most of the development along the lines of voluntary health insurance have taken place in Ontario, but by no means all of them. In the Maritimes, although the problems of health insurance and state medicine have not been discussed to the same extent as in other parts of Canada, what is known as "Mining Contract Practice" helps many people pay their sickness costs.

Dominion Steel & Coal Co. employees participate; the company withholds from each employee's wages a certain amount which is transferred to a common fund from which cash sickness benefits are paid to the employees and medical and surgical care, hospital expenses are provided for the employee and his dependents. Doctors receive a flat payment of 40c. weekly for every employee on their files.

Quebec has its "health units" offering services of a somewhat supervisory and advisory nature. British Columbia and Alberta both have Acts passed, but never adopted, to provide compulsory health insurance. These Acts have met with considerable opposition and have never been proclaimed.

Not a complete category of the various health insurance plans now operating in Canada, these examples give a good indication of what has been done.

Municipal Doctors

State medicine has a strong hold in certain parts of Canada. Alberta, Saskatchewan and Manitoba have municipal doctor schemes. Saskatchewan passed the first enabling legislation for this in 1916 and the system has since been extended widely throughout the three provinces.

Under the Saskatchewan plan, doctors are paid on a salary basis by means of a municipal tax. Maximum salary was established in 1919 as $5,000, later increased by an additional $500 for each township in excess of nine covered by a doctor. The doctor performs the duties of a public health officer and gives general medical services, performs minor surgery, gives maternity care and occasionally provides drugs and dressings on his first visit for all residents of the municipality.

Like other plans of this nature, the municipal doctor plan has developed both advantages and disadvantages. Among advantages can be listed the fact that it brings to outlying rural districts reasonably good health and medical services at a cost within their financial capacity. For the physician, it offers a fixed salary from which he must pay certain expenses. Perhaps most important, it is a reasonable answer to the problem of supplying health and certain medical services to outlying communities, bringing this under the supervision of provincial government health departments.

On the other hand, although the doctor's salary is fixed in theory, in practice it is claimed to have developed that the municipality's bargaining power was somewhat stronger and salaries paid may be too low. Moreover, the plan does not usually provide for major surgery, gives only limited maternity service and no x-ray and hospitalization. Municipal doctors have also found that maintaining harmonious relations with municipal councils may be difficult and that salaries have occasionally fallen into arrears.

Ontario Medical Relief

In the view of Dr. J. W. McCutcheon, secretary of the Ontario Medical Association, Ontario's medical relief system is a modified form of state medicine. Here the government does not exercise direct control over the individual doctor, but pays to the Medical Association 50c per person, per month, in return for home and office care, including confinements, drugs, and emergency dentistry. The plan throws the responsibility for giving medical treatment directly upon the medical profession and self-discipline has been found more effective than regulation by an outside authority.

Unfortunately, the payment covers only about half the cost of the services called for. Dr. McCutcheon calls this scheme "definitely a success and its basic principle of government payment and professional responsibility is the answer to the problem of medical care to the indigent groups." This scheme is now being extended to include old age pensioners and mother's allowance cases in Ontario.

Dr. McCutcheon characterizes as state medicine the practice followed by Ontario and other provinces in the care of injured workmen, sufferers from mental illness, tuberculosis and venereal diseases and the prevention of epidemics.

Another example is the method whereby the Red Cross works with the Medical Association and subsidizes doctors in remote areas, guaranteeing them an annual income of $4,000. The plan, not yet extensively adopted in Ontario, appears to have promise in providing medical care for districts which otherwise would not offer an adequate return for a full-time doctor.

The Week in Business

As more and more of our industrial activity turns to output of war materials, and labor normally used in seasonal industries becomes scarce, seasonal changes in our economy grow less marked.

The forest industries, in late autumn and early winter figures now becoming available, would normally offset decline in other industries by seasonal gains. This year, logging is handicapped by labor shortages while manufacturing industries continue to operate at high levels. Thus, seasonal adjustments made in business and economic figures may tend to obscure what is happening, and accentuate the tendency noted to level off around levels of last spring.

Retail and wholesale sales for November followed divergent trends. The former are higher than in the preceding month while the latter are lower. Wholesale sales in November were only 4.4 points above the same month of 1941; retail sales are about 24% higher.

Construction contracts awarded in December were $9.6 millions compared with $19.1 millions a year ago. For all of 1942, contracts awarded were $12.4 millions, or 28.5%, below 1941's level.

Cattle and hog sales in December were both well below the corresponding month of 1941. For all of 1942 cattle sales were down about 63,000 head, or 5.3%. Hog sales were up 0.2%.

Coal production continues below 1941 levels. Alberta's output was only down a little, but Nova Scotia, second largest producer, showed a decline of 20% in November. Recent declines have not yet offset earlier gains and the 11 month total for 1942 is 4.2% higher than in 1941.

	Dec.	Nov.	Oct.	Sept.	Year Ago
Physical vol. of business, D.B.S.°	....	....	207.2	206.1	178.7
National Income, D.B.S.•	....	....	....	646.2	600.3
Nat. Income Index (1935-39=100)	....	....	....	190.1	176.6
Dom. war expend. (million $)	....	209.6	175.9	207.3	121.3
Dom. total revenue (do.)	....	180.7	203.9	162.4	108.8
Dom. total expend. (do.)	....	335.5	357.4	318.9	171.5
■Retail sales index no.	....	162.1	152.1	152.3	138.2
Dept. store sales index no.	....	170.7	152.9	152.7	137.6
■Wholesale sales index no.	....	151.8	170.7	177.9	147.4
Country store (% change pr. yr.)	....	+15.0	+16.7	+12.6	+5.0
Divd. payment index§	122.7	123.1	123.3	123.5	120.3
Bank deposits (1926=100)	....	185.1	179.1	170.1	156.0
Cash and cheque pay. index	....	197.8	161.3	139.7	132.2
Bank debits (1935-39=100)	....	164.0	135.7	134.5	113.2
Money supply (c)	....	4,280	4,120	3,927	3,501
NEWSPRINT % OF CAPACITY—					
Production ratio	....	....	70.6	72.4	84.1
Shipment ratio	....	....	76.9	82.1	80.3
RAILWAY FREIGHT LOADINGS—					
Tons	....	137.2	134.5	127.1	139.6
Cars	....	126.5	124.6	117.4	124.4
COST OF LIVING—					
D.B.S. index	118.8	118.6	117.8	117.4	115.8
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	....	181.3	179.3	165.8
Manufacturing	....	....	218.3	215.5	184.9
Payroll (June 1/41=100) (b)	....	....	137.9	135.5	113.3
■Payroll index (a) (1937=100)	....	214	223	210	186

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
Carloadings (week Dec. 26)	48,536	45,013	3,375,111	3,189,463	+5.8
■C.P.R. gross (week Jan. 7) $	3,929,000	3,776,000	....	....	+4.3
C.N.R. gross rev. ... (Nov.) $	31,866,000	27,292,966	338,695,000	276,365,487	+22.6
C.N.R. net rev. .... (Nov.) $	6,602,144	5,719,863	78,266,306	60,347,891	+29.6
C.P.R. gross rev. .. (Nov.) $	22,414,905	20,207,692	232,340,753	200,241,838	+16.0
C.P.R. net rev. .... (Nov.) $	5,269,425	5,201,227	42,993,380	40,866,786	+5.2
IRON AND STEEL—(November)—					
Pig iron production (tons)	170,578	149,783	1,810,633	1,361,873	+32.9
Steel production ... (tons)	270,812	247,931	2,851,527	2,456,468	+16.0
CONSTRUCTION—					
■Contracts awarded . (Dec.) $	9,608,900	19,109,900	281,594,100	393,991,300	—28.5
Building permits . (Nov.) $	7,624,195	11,729,291	97,257,153	114,008,464	—14.7
Cement prod., bbls. (Oct.)	1,146,307	1,042,685	8,190,634	7,324,025	+11.8
AGRICULTURE—					
Flour prod., bbls. .. (Nov.)	1,973,401	1,664,803	18,697,561	18,894,266	—1.0
■Cattle sales▲ ...... (Dec.)	109,830	116,022	1,173,714	1,239,526	—5.3
■Hog sales▲ .... (Dec.)	722,284	796,177	6,228,163	6,216,207	+0.2
SEA FISHERIES—‡					
Catch, cwts. .... (Sept.)	1,442,100	1,343,500	8,395,100	8,501,200	—1.2
Landed value .... (Sept.) $	6,557,900	3,156,000	25,834,100	20,762,500	+24.4
NEWSPRINT—					
Production, tons ... (Nov.)	251,147	300,306	2,932,911	3,125,042	—6.1
■Exports, tons ..... (Nov.)	238,268	301,352	2,779,372	2,953,975	—5.9
MINING AND OILS—					
■Coal prod., tons .... (Nov.)	1,618,113	1,828,937	17,103,950	16,411,953	+4.2
Gold rec., fine oz. .. (Oct.)	380,144	443,884	3,928,015	4,264,487	—7.9
Petroleum prod., brl. (Oct.)	859,895	871,491	8,665,941	8,370,963	+3.5
ELECTRIC POWER OUTPUT—(November)—					
Total monthly, 1,000 kw.h.'s	3,180,153	3,185,982	33,860,710	30,224,560	+12.0
OTHER INDUSTRIAL FACTORS—					
■Shoes, prod., pr. .. (Nov.)	2,884,992	2,935,564	30,549,537	29,910,628	+2.1
Cotton consump., lb. (Nov.)	16,064,484	16,647,670	179,903,951	182,238,790	—1.3
■Cigarette cons., No.† (Nov.)	1,045,660	753,932	9,277,939	7,861,717	+18.0
FINANCE—					
Bank debits† .... (Nov.) $	4,966,558	3,426,906	41,331,641	35,556,411	+16.2
Bond sales† .... (Nov.) $	1,062,488	94,922	4,175,291	2,267,708	+84.1
Life insurance sales (Nov.) $	52,042,000	44,984,000	489,246,000	381,743,000	+28.2

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. ▲Total at yards and plants. †000 omitted. •Millions of dollars. §Supplied by Nesbitt, Thomson & Co. °1935-39=100. (c) 000,000's omitted. (a) Compiled by Canadian Bank of Commerce. (b) All industries.

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CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

1792 *1943*

Impact of War
ON
Fire, Marine and Casualty Insurance

War hazards call for many new types of Fire, Marine and Casualty coverage. Consequently business should review its existing policies to make certain that *all* insurable risks are adequately covered.

FIRE: Fire Insurance policies should be extended to cover the Wartime hazards of falling aircraft and acts of enemy agents, (sabotage) riots, explosions, etc. Factories where dangerous operations are carried on, often sharply expose other premises. Check your Fire insurance protection against these risks. Make sure your Fire protection covers such danger spots (due to war conditions) as:

1. Under-insurance or over-insurance, due to rapid fluctuation of stock values. This can be corrected by a proper reporting form.
2. Neglect and consequent deterioration of Sprinkler Systems, Fire Hose, Fire Doors, Extinguishers, etc.
3. Carelessness in housekeeping, due to improperly trained or insufficient help.

MARINE: Destruction by bombing at sea is a serious factor to say nothing of additional marine hazards which are the result of war such as blacked-out lighthouses, coastal dim-outs, collisions in convoys, etc.

Where insurance is desired on goods in storage or in transit from warehouse to warehouse, the risks of fires, explosions or malicious damage due to acts of enemy agents or congestion of hazardous goods, should be provided for if not covered under present policies.

Common carriers may not necessarily be liable for all types of damage that may occur to goods in transit. Explosives may be carried with ordinary freight. Shippers should determine whether or not, in such instances, their goods are properly protected.

CASUALTY: The risk of legal liability for injury to members of the public has increased greatly or altered as a result of conversion of normal manufacturing operations to war production activities. Such a changing exposure requires flexible and all-risk liability policies fitted to the individual needs of the risk.

FIDELITY: Because of higher taxes improvident employees are finding it harder to meet expenses. This condition increases the amount and frequency of thefts by employees. Consequently blanket fidelity bonds are more essential than ever before.

During the past 150 years North America Companies have had to meet and to solve many problems arising out of wars, fires, floods and depressions. A wealth of experience has been accumulated and enormous financial resources built up to meet such contingencies. This experience and financial strength has enabled North America Companies to be of incalculable value to their clients in this war. This strength is available to others in need of it.

When reviewing your Fire, Marine and Casualty insurance policies in the light of war conditions, consult your local agent or broker for advice. He is well qualified to help you.

"North America" Fire, Marine and Casualty Insurance Policies are geared to the times; and North America service provides complete co-operation in meeting war time insurance requirements.

INSURANCE COMPANY OF NORTH AMERICA
CANADIAN HEAD OFFICE — TORONTO
H. C. Mills, *General Manager for Canada*
Capital - - - - - - $12,000,000 Surplus to Policyholders - - $67,000,000
Group Assets in excess of - - - $150,000,000
OVER 20,000 AGENTS THROUGHOUT THE NORTH AMERICAN CONTINENT

Skiing Wins More Enthusiasts

Fans Flock to Canada's Winter Playgrounds

Winter sports, with emphasis on skiing, have converted Canada's summer tourist trade to a year-round industry. Somewhat hampered by wartime restrictions, including the inevitable reductions in travel, the ski resorts of Canada continue to provide a constant source of U. S. exchange, a rich fund of good health and high morale.

The glistening white mantle that covers hills and valleys in most parts of the Dominion during the winter months is not only a factor in building the health and morale of the people, but a major business of the country.

Once regarded as a useless impediment to traffic and an unavoidable discomfort of the winter season, the crisp powder snow of Canada's hill and mountain areas has come to be recognized as a factor which has given this country a pre-eminent place in various winter sports, notably skiing.

Attract Visitors

These sports yearly attract thousands of Canadian winter sport fans. They also lure thousands of United States holiday visitors seeking the best possible conditions for their favorite pastime. These latter visitors bring with them many thousands of United States dollars, to pay for transportation, hotel accommodation, supplies, etc.

Thus between Canadian and United States ski enthusiasts, the tourist trade has become an all year round industry in Canada's mountain areas and Canada's supply of needed United States dollars is increased.

More Canadians

Since the beginning of the war, the proportion of Canadians visiting the skiing districts has been greatly increased. This has been due not only to the growing enthusiasm of Canadians for winter sports, which has increased enormously in recent years, but war restrictions have caused many Canadians, who normally would go South or abroad, to spend their winter holiday in Canada.

War naturally has brought other changes. In normal years, railway companies run special excursion trains to carry skiers to popular districts such as the Laurentians in Quebec, Huntsville, Dagmar or Collingwood in Ontario.

Transportation

This year, lack of equipment needed for carrying troops and war supplies will prevent that being done, gasoline shortage will prevent motorists using their cars to any great extent for transportation. Many devotees of the sport have joined the armed forces. Yet in skiing circles a banner year is contemplated.

Transportation is still available however. Regular trains will operate into the ski areas as usual, buses are also operating in some parts.

Places of those who have left to join the armed forces will be filled by others who are not eligible for combat service, including a new generation of young ski enthusiasts. In addition, service men will supplement their training while on furlough on the snow-clad hills. This is all in the nature of normal activity and exclusive of skiing manoeuvres undertaken as part of the training of a section of the armed forces.

Equipment

Experts expect equipment to be but little affected by the war as regards changes in models.

Skis, boots, bindings and accessories will mostly be of last year's models, but in general are available in limited quantities and with only slight improvement in finish and quality. Skis are said to be obtainable in fair quantities. Supplies of metal poles are limited but ski bindings are reported to be the scarcest of all equipment. All metal bindings, especially the cable type, it is stated, can be bought in some stores only with skis. Good boots however, are available in ample quantities in several well known lines.

Parkas, goggles, mittens, jackets, etc. are obtainable with few changes from last year.

Organizations Active

Ski organizations also continue to function with all their aids and facilities for the devotees of the sport. The favorite skiing grounds remain as always, although some ski-tows may be cut out and more leg work may be required. There will be fewer competitive meets. But for sheer good sport, with conveniences regarded as normal a few years ago, the facilities will be as great as ever.

The numbers frequenting the popular ski regions will probably show little if any diminution, so strongly has skiing become entrenched as a national sport. In both civil and military life, it is realized it has a definite role to play. It fosters health, teaches alertness of mind and body and develops confidence and courage so essential to both civilians and soldiers in wartime.

It is estimated there are over 125,000 skiers in Canada and 140 ski clubs, over a million and a half skiers in the United States.

Skis in War

Recognition of the value of ski troops in wartime has developed a new type of combat man, the ski soldier. Army instructors emphasize that ski clubs can do and are doing a valuable war service by training members. Men who have had experience in civilian skiing can adapt themselves much more readily to military service on skis. One effect of this in club functions this winter may be a larger amount of cross-country work, the kind that may be expected in actual military operations.

War thus gives an impetus to the sport in military circles in a professional way. But it has also given it a boost among many who will probably never use it as anything more than a sport.

Thousands of airmen from other parts of the Empire, the United Kingdom, Australia, New Zealand and South Africa have had their first taste of skiing on the Canadian highlands.

Natural Advantages

While practically every province has excellent ski facilities, climate, snow quality and general topography have tended to concentrate activity in New Brunswick, Quebec, Ontario, Alberta and British Columbia. Development has probably been greatest in Quebec and Ontario where the favorable factors include ideal snow conditions, plenty of hill and mountain country with good ski trails, well organized transport services and accommodation and proximity to large population centres in both Canada and the United States. In many places considerable capital has been spent to provide facilities.

In the mountain regions north of Montreal, and Quebec city, numerous spots especially favored by the skiing fraternity are scattered liberally. Many of these, convenient to larger centres, are favored for week-end jaunts. They range from modest cabins, lodges or farmhouse accommodation to ambitious projects. One of these has installed the chair type of tow, reportedly at a cost of $80,000.

In Quebec

Among the better known resorts in Quebec are the Gray Rocks Inn at St. Jovite; The Chantecler at Ste. Adele, P.Q.; St. Adele Lodge, Ste. Adele, P.Q.; and The Alpine Inn at St. Marguerite Station, Que.

Then there is the hotel and chalet at Lac Beauport, only 11 miles north of Quebec City. Facilities of Lac Beauport are operated in affiliation with C.P.R.'s Chateau Frontenac, in Quebec. In Ontario, while the city devotee has to travel a little farther than in Quebec for his favorite haunts, excellent spots are to be found within an hour or two's train journey from Toronto.

Ontario Resorts

The ski centre at Summit, one of the Toronto Ski Club areas, is only 20 miles from the centre of the city.

Other districts that have proved increasingly popular in Ontario are those adjoining Huntsville, Dagmar, Bethany and Collingwood.

The Limberlost Lodge is reached through Huntsville in the famous Lake of Bays district.

In the Ottawa district the Gatineau Hills draw thousands of skiers every week-end. Also adjacent to Ottawa is the Seigniory Club at Montebello, Que. Farther west, around Fort William and Port Arthur is a popular district.

In Alberta, far-famed skiing districts are reached through Lake Louise, Banff and Jasper Park close to first class hotel accommodation. In British Columbia, Vancouver and Victoria offer gateways to choice sports districts.

Ski troops are now recognized as an established part of an army in northern countries. Vast open areas adjacent to Canada's military camps provide excellent opportunity for intensive training. The picture shows officers of a ski patrol discussing strategy during cross-country exercises.

Canada Northern Returns Lower

Indicated Income for 1942 Puts Share Earnings Below 1941

A decline in net profits of Canada Northern Power Corp. is indicated for 1942. In 1941, 61 cents a share was earned on the common stock as against dividend payments of 80 cents a share. It is unlikely earnings will be as high for 1942.

At the end of November, gross earnings were off $462,197 and it is likely this figure will reach a half million for the full year. While operating expenses have been reduced, net earnings for the 11 months' period were $74,356 behind those for the like period of 1941. A drop of $80,000 is seen for the full year.

During 1941 the company paid out $320,000 in dividends on the common stock. In order to do this it was necessary to draw upon reserves to the extent of $76,555. During the last year dividends were reduced 15 cents a share quarterly, but even allowing for the reduction it is doubtful if the company will be able to show the dividend fully earned.

Salvage Campaign Finances Charities

A statement issued by Mrs. George Cockshutt, chairman of the Brantford, Ont., Local Council of Women, shows that up to Nov. 30 that organization collected 3,228,829 pounds of salvage. The campaign started in July, 1940, and featured the use of "victory bags"—large paper bags which were distributed to every household to be filled with salvage materials. These were collected regularly.

The campaign has been carried on almost entirely with volunteer help, and from July, 1940, to Nov., 1942, profits of $13,944 were distributed for war charities. Collections comprised 93,492 pounds of rubber, 607,530 pounds of metal, 228,219 pounds of rags, 2,228,333 pounds of paper, and 71,255 pounds miscellaneous.

Ski Union of the Americas Is Seen as Forward Step

A direct outcome of the war in the skiing world has been the formation of the Ski Union of the Americas to replace the Federation Internationale de Ski (F.I.S.) which had become Nazi controlled. The new organization which held its congress in New York City last spring with delegates from Bolivia, Canada, Chile, and the United States is described as the "greatest step forward for international skiing in the Western Hemisphere."

Two important principles established by the union at the outset were the emphasis set on encouraging amateur skiing and on democratic practice in the Union's activities.

Amateur Defined

"An amateur sportsman is defined as "one who engages in sport solely for the pleasure and physical, mental and social benefits he derives therefrom and to whom sport is nothing more than an avocation." The Union goes on record as recognizing open meets between amateurs and professionals. But these events must not be conducted in conjunction with, nor at the same time as amateur competitions.

It is also provided that the Union have governing powers only in international activities between the members and that these powers shall not be general but limited as set forth in the code to be decided on. The member organizations are considered supreme in their own jurisdictions. The representative principle must prevail in all the Union activities.

Objectives

Objectives set forward are:

To foster friendly relations between the organizations here represented and among similar associations in the Western Hemisphere.

To encourage and facilitate the interchange of ideas and data that may be developed in the various member organizations.

To authorize and sanction amateur international championships as well as other international competitions in skiing.

To formulate rules for international competitions and amateurism and other related matters.

To certify officials for international championships and approve downhill courses and jumping hills for classification for competitions.

To encourage the development of safety and first aid measures.

To further in every possible manner the advancement of amateur skiing, thereby adding the Union's portion to the duty of providing closer friendships among the peoples of the countries concerned.

Fred A. Hall of Toronto, president of the Canadian Amateur Association was elected president.

T.C.A. Planning Global System

Symington Emphasizes Key Position of Line — Record Traffic Volume

Reporting a record volume of traffic for 1942, H. J. Symington, president of Trans-Canada Airlines, announces that the T. C. A. route will be extended from Vancouver to Victoria early in January.

When the war is over and new equipment is available, T. C. A. plans to take a major part in the development of global aviation.

"Canada occupies an important position in the future of the air world," says Mr. Symington. "It is on the great circle, it is the shortest way, and it has stable weather. International flying across the Atlantic and Pacific will be dependent upon agreements between governments, and T. C. A., Canada's national airline, is destined to be Canada's instrument in such global operations."

Further expansion of the T. C. A. is indicated in the statement by Mr. Symington that plans have been made for a shorter route crossing the Great Lakes to Winnipeg and thence to points of exit in western Canada and the Yukon Territory.

Traffic at Peak

In discussing traffic operations last year, Mr. Symington reports that the mail load amounted to 2,260,000 lb., an increase over the preceding year of 63%. Air express rose to 396,000 lb., an increase of 128%. The number of passengers carried was 106,000, an increase of 24%.

Service was extended to Newfoundland on May 1 last. The route is from Moncton to Sydney and thence across to Gander and St. John's. The service has proved so necessary that the passenger load factor in this section is the highest on the system and reservations are made weeks in advance. The second daily flight was provided on Nov. 1

The development of business in the Maritimes—there are now three round trips each day between Halifax and Montreal—made it desirable to set up a divisional headquarters and a despatch centre at Moncton, and a reservations centre at Halifax. A new despatch centre was opened up at Winnipeg.

Newfoundland War Risk Rates Reduced

Indicating improvement in the shipping situation, the Canadian War Risk Committee, representing private companies in Montreal, has reduced insurance rates on shipments between Newfoundland and Canada by 40%.

Under the new rates a premium has been reduced from $5 to $3 per $100 of cargo value. In addition the rate on the short sea route between North Sydney and Port Aux Basques has been halved, now standing at 2% instead of 4%.

Public Utility Earnings

Canada Northern Power Corp.

	1942 $	1941 $
November:		
Gross earnings	364,800	397,354
Operating exps.	138,280	164,200
Net earnings	226,520	233,154
Eleven months ended Nov. 30:		
Gross earnings	4,137,254	4,599,451
Operating expenses	1,624,901	2,012,742
Net earnings	2,512,353	2,586,700

NOTE:—Operating expenses do not include income and excess profit taxes.

East Kootenay Power Co.
November

	1942	1941
Gross earnings	$61,269	$60,891
Operating expenses	22,454	21,170
Net earnings	38,815	39,721
Eight Months Ended Nov. 30		
Gross earnings	507,901	461,366
Operating expenses	197,717	149,391
Net earnings	310,184	311,975

Note:—Operating expenses do not include Income and Excess Profit Taxes.

Brazilian Traction, Light & Power
November

	1942 $	1941 $	Increase %
Gross earnings	3,933,816	3,682,610	6.82
Oper. expenses	1,845,224	1,669,696	10.51
Net earnings	2,088,592	2,012,914	3.76
Ten Months Ended November			
Gross earnings	42,544,117	39,021,976	9.03
Net earnings	22,693,527	21,050,207	7.81

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Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939 with one supplement 1937-39 and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

Some Strings on Tax Deductions

ARTICLE NUMBER SEVENTEEN
By MOLYNEUX L. GORDON

The Canadian statute defines income as "annual net profit" [1] and forbids the deduction of any disbursement not "wholly, exclusively and necessarily laid out for the purpose of earning the income." [2] In considering tax matters, it is wise to remember that you should always strike out the word "income" and substitute the words "annual net profit."

In England the tax is on the "annual profits or gains" and there is authority indicating that the word "income" means "receipts" and disbursements incurred for the purpose of reducing expenses are non-deductible.[3]

Such cases might not apply here. The Supreme Court of Canada in considering the words "wholly, exclusively and necessarily" have stated that [4] these words must be construed in a commercial sense in order to give the act a reasonable and workable interpretation.

It is impossible, in a short article, to discuss all the ingenious reasoning which has been applied in considering whether specific expenses are deductible or not, but it is quite clear that many expenses which are universally considered proper deductions in commercial accounting are not permitted.

Donations to Charity

Gifts made to any charitable organization in Canada by an individual may be deducted up to 10% of his income; [5] and, in the case of a corporation, 5%.[6] Donations to private charities are non-deductible.[7] The income of charitable institutions in Canada is exempt [8] and, under the existing tax convention with the United States, the Canadian income of charitable organizations resident in the United States is also exempt.

There have been three cases in Canada in which property has been transferred to trustees with instructions to accumulate the income and at the end of a named period to distribute the fund among the poor of certain localities. The courts have held that the income was taxable for two reasons: [9]

(1) because the income was accumulating for the benefit of unascertained persons; and

(2) because it had not been given to a charitable institution.

If a taxpayer desires to make a charitable gift of this description he could save a good deal of tax by creating a corporation to receive the gift which would fall within the definition of the words "charitable institution."

Contingent Liabilities

For tax purposes each year is treated separately and as a general rule contingent liabilities cannot be deducted because the taxpayer is unable to show either the actual loss which will be incurred or the year in which it will have to be paid.

A cemetery company which undertakes the perpetual care of a grave may estimate the cost and deduct it from the purchase price.[10] So, too, a firm dealing in trading stamps,[11] (which are now illegal in Canada), or a railway company selling tickets may set up a reserve to cover unredeemed obligations, but in so doing they are not allowed to set up a reserve of 100% because many of these obligations are not redeemed and form a source of profit.

Defalcations

Losses occurring through robbery or theft by outsiders are non-deductible [12] because these losses were not incurred for the purpose of earning the income.

You are in a different position if your money is stolen by one of your employees. Every business must employ clerks to keep its accounts and look after its funds and if owing to the negligence or dishonesty of an employee the receipts do not find their way into the till or are stolen after they have been received, this is an ordinary business risk and the loss is deductible.[13]

But if your partner runs away with the cash or an officer of a company overdraws his account [14] such losses are not considered to be ordinary business risks, and you would find it difficult to argue that the money lost was expended for the purpose of earning profit. Consequently you not only will have to pay the tax on the total amount which you earn, but will have to get along without the money which was stolen.

Loss on Forward Contracts

It frequently happens that a business concern enters into contracts which turn out extremely unprofitable. In one case in Scotland [15] a shipowning company chartered a number of ships and by the end of the year there was a great depression and the cost of chartering ships dropped considerably. It was held that they could not set off the expected loss.

The matter usually arises when goods are purchased for future delivery and in between the time of the purchase and delivery of the goods the price drops. It is quite true, as stated in this case, that if the value of stock in hand has fallen below the cost price, allowance for the loss may be made in the estimated profits of the year; but a distinction is well recognized in cases where the goods have not been delivered and no deduction is allowed in respect of unprofitable contracts which have not been executed by way of payment or receipt of goods prior to the end of the year.

In a number of cases in England the taxpayer made an unsuccessful attempt to get over this difficulty by agreeing upon the amount of loss prior to the end of the year. What they ought to have done was either to have paid the bill or obtained delivery of the goods.

REFERENCES

(1) Income War Tax Act, s. 3; (2) Income War Tax Act, s. 6 (a); (3) Income Tax Case No. 160 (1930) 5 S.A.T.C. 73; (4) Riedle Brewery and The Minister (1939) S.C.R. 253; (5) Income War Tax Act, s. 5 (j); (6) Income War Tax Act, s. 5 (jj); (7) O'Reilly & Belanger v. Minister (1928) Ex.C.R. 61; (8) Income War Tax Act, s. 4 (e); (9) Birtwistle Trust and The Minister (1940) A.C. 138; (10) London Cemetery v. Barnes (1917) 2 K.B. 496; (11) Cowen v. Commissioners (1934) 19 T.C. 155; (12) In re Gadodia & Co. (1934) 2 I.T.R. 322; (13) Curtis v. Oldfield (1925) 9 T.C. 319; (14) Roebank Printing Co. v. Commissioners (1928) 13 T.C. 864; (15) Whimster & Co. v. Commissioners (1925) 12 T.C. 813.

Shoplifting Plague Shows Increase

Merchants Blame Juveniles, Wartime Lawlessness of Adults

Merchants report that their losses from shoplifting are increasing.

They blame the current epidemic of juvenile delinquency, wartime lawlessness by adults, and the fact that inexperienced clerks, taken on to replace those who have gone into the armed forces or war work, are less adept at spotting shoplifters.

Some stores estimate that their losses from shoplifting now run as high as 2%, but this is exceptional. The average loss is probably a good deal less than 1%.

Of recent months far more youngsters have been picked up trying to lift small articles from counters. A large proportion of these cases never get as far as the courts because the reluctance of merchants to press charges.

An odd assortment of adults have been nabbed red-handed, attempting to sneak unpaid for merchandise into handbags or pockets or under overcoats. Mostly women, relatively few are in needy circumstances, and a lot are stealing in spite of the fact that they are better off than they ever were before. This same sort of thing happened in the last war.

Store Detectives

The larger stores, with their private detective staffs, recover a fair percentage of the goods shoplifters try to get away with. "A good detective may recover twice his salary in the run of a year," an official of one of these establishments stated.

Losses are heavier in smaller stores which lack this protection, particularly when they are understaffed. In such shops, the shoplifter is more likely to escape notice, and the theft may not be discovered until long afterwards when it is too late to have any hope of catching the culprit.

Shoplifting can't be regarded as "organized crime." Most shoplifters steal articles for their own use, not to sell. But gangs do operate from time to time, going after such merchandise as expensive fur coats. There have been a few cases of this kind lately in larger Canadian cities.

Usual mode of operation is for three or four women to enter a store. While one is trying on a coat, the others will create a disturbance, distracting the attention of the clerk, and giving the one with the coat an opportunity to slip away . . . still wearing the coat.

More in Depression

Despite the trouble merchants are having now, records show the courts are trying fewer cases of shoplifting than during the depression years. Authorities say there are two reasons for this—the fact that in the depression some persons stole from desperation, and the fact that women who were circulating through the stores shoplifting at that time may now have jobs.

There was less shoplifting as economic conditions improved, and experts state that the fact that this type of crime is increasing again springs not from economic circumstances but, so far as adults are concerned, solely from the wartime tendency to kick over the traces of law and order.

According to police officers, while there have been periodic waves of shoplifting, such as during the depression and to a lesser extent at present, the long range picture indicates that this crime has decreased steadily in the last three decades—that there are 50% fewer cases today than there were 30 years back.

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Address.............................
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Aluminium Ltd. Records Vast Expansion in 1942

From Our Own Correspondent

MONTREAL. — Aluminium Ltd., holding company for Aluminum Co. of Canada and various foreign subsidiaries, reports a net profit of $11.9 millions in the first nine months of 1942. This was after provision of $30.7 millions for depreciation and depletion; $23.4 millions for income and excess profits taxes, but with no provision out of earnings of the period for reserves against future depreciation in inventory values. This compares with adjusted profit of $15.4 millions for all of 1941, after provision of $3.3 millions for inventory reserves.

This information is contained in the papers listing the common shares of the company on the Montreal Stock Exchange.

The listing application shows that 82% of the plant is in Canada.

The company's construction programme is indicated by the following gross additions to plant: 1939, $5 millions; 1940, $17 millions; 1941, $57 millions; 9 months of 1942 over $70 millions; additional construction under way as of Sept. 30 last, $69 millions.

Among changes from Dec. 31, 1941, to Sept. 30, 1942, indicated by the balance sheet are a $12 millions increase in inventories and the borrowing of $17.6 millions from banks.

Your Income Tax

In this weekly column, The Financial Post answers problems of subscribers in connection with their business or personal income tax. In some cases, where official ruling has yet to be made, The Post can only cite informed opinion.

Deductions Allowed

I am married with one child of 16. My income is $2,650, all dividends and interest. In making out my income tax return, can I deduct interest on bank loan, rent of safety deposit box, church contribution, payment on account of bank loan principal, amount of one uncollectible note owing me and compound interest on same?

If the bank loan is on securities and has been incurred in earning your income, you may deduct the interest. You cannot deduct principal repayments. Nor can you deduct the amount of the uncollectible note, nor the compound interest owing on same, nor the cost of the safety deposit box, unless you are regularly in the security business buying and selling stocks and bonds. You may deduct your church contributions and contributions to other recognized charities, but these in the aggregate should not exceed 10% of your income.

Enlists in Air Force

I enlisted in the Air Force on Oct. 7. My income from civilian sources up to that time was $1,700. I am married. I had national defense tax deducted from my salary up to Sept. 30 and from then until date of enlistment I had income tax under the new schedule deducted by my employer. Should I pay income tax for my 1942 income? Am I entitled to any refund for taxes already paid? Do I pay compulsory savings?

You are expected to pay income tax on your civilian income in 1942. You are not entitled to a refund of your national defense tax unless the total amount paid plus deductions since Sept. 1 exceeds your total tax due. You may offset the tax already deducted from the total due. Part of the tax due, up to half the total or 10% of your income whichever is the less, is regarded as compulsory savings and refundable.

Local Taxes

I am the owner of several houses which I rent, these rentals being an important part of my income. On some of these houses, the taxes for local improvements are quite heavy. Am I allowed any consideration as regards income tax for these taxes?

Rental income is computed on a net basis. You are allowed to deduct taxes for local improvements paid on properties you rent to others. You cannot deduct them as regards the house you live in.

Rents Rooms

In recent months I have been renting some of the rooms in my house to ease the housing shortage. Somebody told me that I can obtain income tax concessions on the revenue so derived. Is this true?

Yes, householders who rent one, two or three rooms may deduct two thirds of the total amount received from such rentals. This is allowed for expenses. The remaining third is regarded as taxable income. If a wife or a blood relation manages the home, the remaining third of the room rentals is regarded as her income. It makes no difference in this regard whether the householder owns the house he lives in or rents from somebody else.

Statutory Exemption

Please tell me does the statutory exemption of $660 for income tax apply in the case of graduated tax and normal tax both.

No, it applies only as regards graduated tax. Normal tax is levied on the whole income, less deductions for contributions to charity and excessive medical expenses, etc.

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FOUR IMPORTANT BOOKS
by
Molyneux L. Gordon, K.C.

Digest of Income Tax Cases of The British Commonwealth of Nations. Published by The Department of National Revenue, Ottawa, 1939, with a foreword by C. Fraser Elliott, K.C., Commissioner of Income Tax. Bound in buckram $3.00

Supplement 1937-39. Bound in buckram 4.75

Supplement 1939-42 (to be published April, 1943)

Digest of Excess Profits Tax Cases of The British Commonwealth of Nations, 1942. Bound in buckram 6.75

Any of the above works may be obtained at prices quoted, postpaid, on application to

THE FINANCIAL POST, TORONTO, CANADA

Quebec Pays Off Short Term Loans

Another $25 Millions Due Next Month; New Financing Shortly

From Our Own Correspondent

MONTREAL.—Quebec's $12 millions 2¾% short term loan, issued in 1940, was retired when it fell due Jan. 2. Another $25 millions of 2½% bonds are due on Feb. 15 and $5 millions of 2½% bonds on Nov. 1 next.

Temporary banking arrangements were made to take care of the first maturity. Discussions have been going on between Hon. J. A. Mathewson, K.C., provincial treasurer, and a banking group regarding the new public financing. Details have not been settled, but it is understood a bond issue will be made within the next few weeks. It probably will provide for the $25 millions February issue.

Another Balanced Budget

The province's fiscal year ends on March 31. Present indications are that the books will balance on an over-all basis. Last year a surplus of $1.9 million was shown. This was passed along to the public through elimination of bridge tolls, which normally amount to $1.4 million a year.

The financial statement as at March 31 is expected to show a further reduction in debt position. Over the last three years the provincial treasurer has been able to achieve a reduction averaging about $5 millions annually.

Gatineau Power Quarter Improved

Drop in Interest and Taxes Boosts Net Income Over 1941

Moderate improvement in earning power is recorded by Gatineau Power Co. During the third quarter of 1942, gross income was $66,478 over the total for the like period in 1941. Largely due to a drop in tax provision and debenture interest, net profit for the three months ended Sept. 30 last totalled $583,544. This contrasts with $517,065 for the same quarter of 1941.

Earnings available on the common stock for the third period showed an appreciable increase. After provision for dividends on the preferred stock, net was equal to 23 cents a share. This contrasts with 19 cents a share in the like quarter of 1941.

Profit and Loss Account
Quarter Ended Sept. 30

	1942 $	1941 $
Oper. revenue	2,518,497	2,457,631
Add: Other income	45,051	64,028
Total income	2,563,549	2,521,659
Less: Gen. expenses	253,500	252,496
Maintenance	67,800	56,684
Taxes	451,084	472,636
Net revenue	1,791,164	1,739,842
Less: Bond interest	587,951	588,052
Deb. interest	169,605	183,242
Loss on exchange	108,854	108,831
Deprec.-amortiz.	300,000	300,000
Other amortiz.	41,208	42,651
Net profit	583,544	517,065

New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

TOILET GOODS. W.P.T.B. order A-535, Dec. 29, effective Feb. 28. No person shall package any brand of toilet goods in more than two sizes of containers. This includes cleansing, deodorizing, beautifying and other agents. No person shall manufacture bleaching creams, eyelash creams, nail creams or nail tonics, throat creams, sachets in cake or powder form, or face packs. Adm. of Pharmaceuticals and Toilet Goods, W. M. Grant.

* * *

HAND BAGS. W.P.T.B. order A-536, Dec. 29. A manufacturer must file with the administrator a statement of each style of hand bag he proposes to manufacture for a given season, together with the price he plans to charge. Styles of hand bags are limited, as are price ranges. Adm. of Textile Sundries, J. A. McLaren.

* * *

LOADING OF FREIGHT CARS. Department of Transit order T. C. 04F, Dec. 29. No rail carrier shall transport freight at carload rates in any freight car not loaded to the maximum. Certain exemptions are listed and a schedule gives specific weights which may be regarded as maximum loadings for various types of goods. Transport Con., T. C. Lockwood.

* * *

HOUSEHOLD BRUSHES. W.P.T.B. order A-538, Dec. 30, amends order A-218, imposing additional restrictions as to the types of household brushes which may be manufactured. Adm. of Furniture and Brushes, James E. Ferguson.

TRANSPORTATION OF MILK AND CREAM. W.P.T.B. order A-533, Dec. 29. Anyone engaged in delivering milk in the four weeks ended Dec. 26 has general permission to continue doing so, but only over the same routes on which he operated in the four-week period. At the same time, by Jan. 31, he must make application for specific permission. Adm. of Services, J. Stewart.

S. C. Power Taxes Hold Down Net

From Our Own Correspondent

MONTREAL.—Heavier provision for income and excess profit taxes is making itself felt in the returns of Southern Canada Power Co. During November, the tax provision at $67,941 was more than $7,000 greater than for the same month last year. As a result the surplus after dividends amounted to only $2,036, as against $9,905 for November, 1941.

November

	1942 $	1941 $
Gross Income	273,003	270,473
Oper. Expenses	85,917	84,939
Taxes	67,941	58,774
Net earnings	119,145	126,760
Int., Deprec. & divids.	117,109	116,855
Surplus	2,036	9,905

2 Months Ended November

	1942 $	1941 $
Gross Income	547,193	553,423
Oper. Expenses	170,356	169,630
Taxes	138,093	122,103
Net Earnings	238,744	261,690
Int., deprec. & divids.	234,237	234,960
Surplus	4,407	26,730

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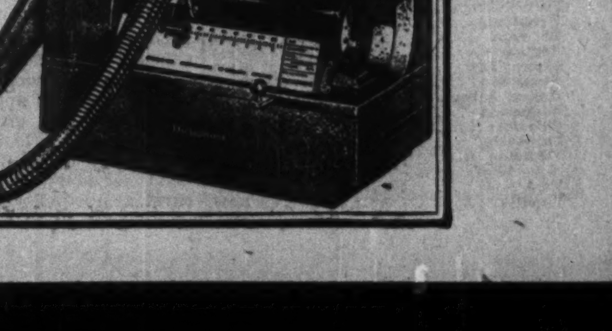

Newsprint Plants Get Output Ratings

Step Paves Way For Compensation Under New Prorating Plan

From now until the end of the war Canada's 25 newsprint mills will know just where they stand in respect to their proportion of the total business, for prorating has been placed in effect by official order. Each mill is allotted a fixed proportion of the business, based on rated capacity, orders on the books, past performance and other factors. A mill which exceeds its percentage must pay into a central pool, from which mills which cannot manufacture their quota because of war conditions will draw compensation. The plan is designed to keep the whole industry solvent, despite power and labor shortages and other restrictions.

By JOHN E. LANGDON

MONTREAL. — Prorating of the available newsprint business has been put into effect for Canadian mills by an order issued by R. L. Weldon, newsprint administrator, and with the backing of a government order-in-council.

For the duration Canada's 25 newsprint mills will all know exactly where they stand in respect to their proportion of the business coming to Canada.

They will know up to what level they can produce and sell and still retain all the profits. Likewise they know the dividing line, above which they will have to pay into a central pool from which less fortunate mills will be able to draw compensation for the tonnage they have been unable to handle owing to war conditions.

The prorating plan represents a clean sweep of all previous associations and entanglements, and an attempt to remove the bitter controversy which arose out of the scheme developed by the Newsprint Association of Canada. This was strongly opposed by minority groups in Quebec and Ontario.

Under the new plan all mills are treated the same. There are no penalties for past activities.

What the new plan does in effect is to weld Canada's 25 newsprint mills into one homogenous whole. Mr. Weldon, as administrator, has control over all operations. He can tell a mill how much it can produce; how much it can ship; he can divert wood from one mill to another; his power is absolute.

Plan of Compensation

Order No. 222 gives the answer to a question the industry has been wondering about—the method of compensation for transferred tonnage.

Each mill is allotted a fixed percentage of the business.

This percentage is based on the rated capacity of a mill, orders on the books, shipments, past performances, and other items, and establishes the position at which the mill will operate for the duration.

The relative standing of each mill is shown in the accompanying table, together with the maximum amount of tonnage which it can be credited with for any one year. It should be noted that these figures are only approximate, influenced in part by the fact that the "freeze" order has been superseded by another order which sets maximum operations on deliveries at 90 per cent of Oct., 1941, to March, 1942, average rates. These figures tend to raise slightly the maximum tonnage which can be produced, but do not change the relative standing of the mills.

15 Are Better Off

Taken on a capacity basis, 15 of the 25 mills better their position under the new ruling because their costs are low, because the orders on their books are large, because they have been heavy shippers, or because of other factors.

On a purely capacity basis Abitibi would be entitled to 605,000 tons annually. Instead of which it receives a rating of 572,440 tons.

Ontario Paper's mill at Thorold, on the other hand, which has been operating on a capacity basis for years and with relatively low costs, receives a "rating" well above its former figure.

But, and this is important, all mills whether they have been operating at capacity or not, whether their costs have been high or low, assume their share of the responsibility of keeping the industry solvent under the new plan, in so far as business available will permit.

How the new compensation plan works out can best be illustrated by taking a hypothetical case. Lake St. John Power & Paper and the James Maclaren Mill have an equal rating.

If sufficient business were available to permit operations at capacity, each mill would then be entitled to a like amount.

With available business, however, there is only enough tonnage to permit of an operating scale of about 70,000 tons.

Because Lake St. John Power is in a "tight" power area it may not have sufficient power to operate at 70%. Its power supply might be sufficient to maintain operations on a scale of only 40,000 tons.

The Newsprint Administrator could "transfer" the extra 30,000 tons to James Maclaren and thus permit it to step up operations to 100,000 tons or virtual capacity.

James Maclaren, in this case, would not be permitted to retain the profits resulting from the increased operations. Above its established level it would have to pay all the resulting profit from increased operations to the pool set up by the Canadian Stabilization Corp. Lake St. John Power & Paper, on the other hand, would be entitled to draw down the profit accruing from the transfer of its tonnage.

Deadlines Are Set

Under the new order amounts which manufacturers are to remit or receive in consequence of allocation and other controls exercised since Sept. 1 last are to be fixed by the administrator on or before Jan. 20. Remittances to the fund and payments to other manufacturers are to be made on or before Jan. 25 and payments out of the fund by Feb. 1.

In the case of transferred tonnage—newsprint tonnage which the administrator orders transferred by one manufacturer to another for production — the manufacturer who produces and ships it is to invoice it at the full price to the transferring mill, which is to pay on or before the 25th of the month following invoice date.

Each manufacturer who produces and ships transferred tonnage is required when directed by the administrator to pay into or receive from the fund whatever amount is necessary to adjust the basic mill net price to the tonnage of the basic mill net price of the manufacturers' own tonnage of newsprint.

Consequently the amount of money which any one mill can make from available business, at least relatively, is determined by this established rating.

No mill can benefit at the expense of another.

A second ruling is that changing the "freezing" of production from the average level of output prevailing from April to Oct., 1942, to 90% of the average shipments from Oct., 1941, to March, 1942.

During this period Canadian mills shipped an average of 301,602 tons.

Allowing for the 10% reduction, this means the "freezing" of production at 3,257,302 tons annually.

Under the old order production was frozen at slightly better than 3.1 million tons.

Whether production reaches that figure in 1943 depends not only on the availability of business, but whether the power supply, manpower, transportation and wood supply will permit it.

The prospects are not altogether favorable.

Ratings of Newsprint Mills

	1942 Rated Capacity	1943 Established Percentage	New 1943 "Rated" Capacity	Maximum Output Under "Freeze" Order*
Abitibi	605,000	13.01	572,440	396,700
Anglo Canadian	195,600	4.70	206,800	143,312
Bathurst (1)	18,400	0.39	17,160	12,892
Beaver	25,100	0.60	26,400	18,295
Booth, J. R. (2)	15,000	0.30	13,200	9,148
Brompton	63,600	0.93	40,920	28,357
Can. Inter. Paper	686,200	15.89	699,160	484,518
Consolidated	627,600	12.90	567,600	393,347
Donnacona	84,700	1.87	82,280	57,019
Donohue Bros.	48,800	1.07	47,080	32,726
Eddy, E. B. (3)	46,800	1.00	44,000	30,492
Great Lakes	116,300	2.76	121,440	84,158
Lake St. John	102,300	2.30	101,200	70,131
MacLaren, James	100,900	2.30	101,200	70,131
Mersey Paper	107,300	2.68	117,920	81,718
Ontario-Minnesota	185,500	4.31	189,640	128,561
Ontario Paper	162,235	4.28	188,320	130,506
Pacific Mills	74,300	1.85	81,400	56,410
Powell River	224,300	5.65	248,600	174,280
Price Bros.	374,700	8.52	374,880	259,792
Provincial	10,000	0.12	5,280	3,639
Quebec North Shore	129,780	3.32	146,080	101,233
St. Lawrence Paper	187,700	4.11	180,840	125,322
St. Raymond	7,800	0.30	13,200	9,141
Spruce Falls	199,900	4.84	212,960	147,581

(1) (2) (3): Part of newsprint capacity shifted to other grades, so that these companies in effect get a larger, rather than a smaller share of market on a "capacity" basis.

* This order has been superseded by one limiting deliveries to 90% of October 1941 to March 1942 average rates. This tends to raise maximum output figures under "freeze" order, but does not affect relative standing of operators.

Weekly Bank Clearings

	Jan. 7 1943 $	Change Year ago %	Dec. 31 1942 $
Halifax	4,752,473	+0.1	3,156,455
Saint John	3,085,208	+12.4	2,593,621
Moncton	1,100,202	—21.3	962,233
Sherbrooke	1,049,372	—2.0	781,582
Quebec	4,526,870	—20.5	5,373,081
Montreal	128,551,857	—20.4	126,469,527
Ottawa	122,065,346	+39.4	43,539,583
Kingston	953,758	—10.8	596,273
Peterborough	813,063	—14.2	707,681
Toronto	171,764,286	—7.2	150,580,385
Hamilton	7,172,133	—13.9	7,101,772
St. Catharines	1,420,837	—4.7	1,366,947
Kitchener	1,575,480	—4.8	1,115,759
Brantford	1,326,973	—8.5	866,217
London	3,846,054	—2.8	2,389,480
Chatham	641,571	—21.8	475,000
Sarnia	731,307	+15.7	450,215
Sudbury	1,230,659	—2.2	894,154
Windsor	3,759,633	—16.8	3,291,108
Fort William	1,137,466	+1.6	1,182,280
Winnipeg	53,514,395	—6.1	42,235,705
Brandon	592,577	+2.6	449,240
Regina	5,777,590	+10.4	4,348,180
Moose Jaw	987,562	+22.4	650,124
Saskatoon	2,012,389	+2.3	1,563,160
Prince Albert	522,345	—8.4	510,936
Edmonton	6,913,401	+1.3	5,572,256
Calgary	7,047,232	—10.7	6,198,999
Lethbridge	661,219	—6.6	662,638
Medicine Hat	428,490	+9.2	323,789
N. W'minster	825,453	—12.8	978,550
Vancouver	28,918,358	+19.8	23,226,682
Victoria	1,826,028	—14.0	1,535,755

Monthly Bank Clearings

	December 1942 $	December 1941 $
Halifax	16,614,445	17,672,193
Moncton	5,361,745	5,602,754
Sherbrooke	4,426,438	4,419,339
Quebec	27,699,360	25,785,656
Montreal	602,850,507	598,637,721
Ottawa	289,225,680	221,860,480
Kingston	3,843,972	3,637,469
Peterborough	3,838,390	3,505,731
Toronto	687,688,588	637,209,110
Hamilton	33,496,568	32,421,457
St. Catharines	6,769,016	6,334,286
Kitchener	5,912,321	6,257,202
Brantford	5,257,865	5,176,268
London	14,304,623	13,357,855
Chatham	3,307,468	3,623,381
Windsor	18,410,108	18,770,681
Sarnia	3,036,751	2,351,778
Sudbury	5,020,997	5,413,968
Fort William	5,708,354	5,119,204
Winnipeg	261,824,909	252,307,885
Brandon	2,485,601	2,154,404
Regina	28,344,803	21,704,815
Moose Jaw	4,156,121	3,399,641
Saskatoon	8,727,908	7,472,253
Prince Albert	2,793,097	2,252,139
Edmonton	32,705,926	26,738,521
Calgary	35,887,361	33,286,199
Lethbridge	3,956,812	3,101,387
Medicine Hat	1,965,460	1,812,413
New W'm'ster	4,707,683	3,970,821
Vancouver	123,866,851	92,626,905
Victoria	8,831,218	8,618,589

Leman Queries Tax Policies

Discusses Manpower and Wartime Controls at the Annual Meeting

From Our Own Correspondent

MONTREAL.—In many cases income taxes cease to be a tax on revenue and become a levy on capital and savings, President Beaudry Leman declared at the annual general meeting of the Banque Canadienne Nationale. "These levies," he said "not only cause a reduction in the purchasing power of civilians, which is proper and equitable in wartime, but make it well-nigh impossible for the middle class to practice thrift and save something for a rainy day."

Mr. Leman pointed out that many persons with a fixed income, who had made commitments before taxation increased, are in a serious predicament.

Should Have Reserve

Numerous industrial concerns are not able to retain, after payment of taxes, the amounts necessary to amortize their plant installations and provide for their modernization, he added.

Mr. Leman said that the present shortage of manpower reflects the absence of a general plan for the systematic allocation of the able-bodied population of the country to military and economic requirements.

"It would seem to be a short-sighted policy to remove from enterprises of a permanent stable character, manpower which would have to be restored thereto a few months hence," he asserted.

"The employment of thousands of women, drawn from the home, is likely to have serious repercussions, not only in the realm of economics, but on moral and social standards."

The first World War had seriously undermined free enterprise and individual capitalists, Mr. Leman continued, and it may "well be that the present war will leave them seriously crippled. We can seek a measure of consolation in the thought that autocratic bureaucracy is neither an unmixed blessing nor an unmitigated evil. Merits and demerits depend largely upon the men who exercise the power."

Power Corp. Group Output Records Gain

Power Corp.'s associated and controlled companies report a power output for November of 267 million kw.h. This compares with 254 million kw.h. for Nov., 1941, an increase of 1%.

Comparative figures of output by the reporting operators follow:

	November 1942	November 1941
B. C. Power	71,867,068	64,305,715
Canada Northern	50,375,387	55,758,095
East Kootenay	10,233,602	11,386,808
Northern B. C. Pwr.	1,750,628	1,320,224
South. Can. Pwr.	26,128,550	23,486,570
Winnipeg Electric	96,651,900	98,227,500
	257,007,133	254,484,912

Manitoba Credit Unions Have 6,000 Members

From Our Own Correspondent

WINNIPEG.—There are 53 credit unions active in Manitoba as compared with 31 at the end of 1940. Assets of the combined societies are now more than $200,000 and membership is something over 6,000.

The Manitoba government, which enacted legislation in 1937 permitting the incorporation of credit unions, has now appointed a supervisor of credit unions. Pierre A. Frossais of Lorette, Man., is the first incumbent of this office. He has been secretary-treasurer of Tache rural municipality for many years.

British Paper Ration Holds

Newsprint Consumption to Continue Unchanged From 1942 Level

From Our Own Correspondent

MONTREAL.—British newspapers will be able to maintain their size and circulation under a new agreement reached between the government and the Newsprint Supply Co., a non-profit co-operative organization formed in 1940 to handle the distribution of available newsprint supplies in the United Kingdom.

Since the beginning of the war consumption of newsprint has been reduced from 25,000 tons to 4,430 tons weekly. The latter rate was established on March 16 last.

It is now believed that with stocks on hand, prospective imports and domestic production, the rate of supply can be maintained at the present figure.

Goodyear Tire & Rubber Co. reports that net profits for 1942 were fully equal to those of 1941 when $5.09 a share was earned on the common stock. Profits for 1942 were sufficient to cover all dividend payments, A. G. Partridge, president, states.

Yearly Bank Clearings

	1942 $	1941 $
Halifax	206,266,892	185,854,076
Saint John	126,151,783	115,931,886
Moncton	59,322,045	51,439,195
Sherbrooke	52,379,077	48,053,013
Quebec	294,627,784	270,706,089
Montreal	6,562,897,795	5,911,741,738
Ottawa	3,826,239,265	2,696,599,005
Kingston	40,654,834	37,937,181
Peterborough	42,000,386	36,208,217
Toronto	7,305,428,358	6,537,348,591
Hamilton	380,241,162	355,937,696
Kitchener	66,499,743	63,556,444
Brantford	56,806,670	53,960,821
London	155,699,527	143,405,318
Chatham	35,655,552	34,466,989
Windsor	222,469,900	186,178,369
Sarnia	26,506,499	25,222,100
Sudbury	57,387,989	56,953,973
Fort William	57,047,446	54,883,437
Winnipeg	2,520,845,328	2,596,339,454
Brandon	25,912,581	21,445,724
Regina	286,320,024	250,528,159
Moose Jaw	39,967,[illegible]	35,368,757
Prince Albert	27,065,[illegible]	22,309,998
Edmonton	323,049,[illegible]	265,023,348
Calgary	362,076,229	343,002,387
Lethbridge	37,464,613	30,752,251
Medicine Hat	19,067,074	17,999,249
New W'm'ster	49,730,668	43,513,502
Vancouver	1,238,183,232	1,010,158,766
Victoria	101,796,408	98,090,281

Annual Meetings

1943	Company	Place
Jan. 19	La Luz Mines	Toronto
Jan. 19	National Life	Toronto
Jan. 20	Bank of Toronto	Toronto
Jan. 21	London Life	London, Ont.
Jan. 21	Manufacturers Life	Toronto
Jan. 21	Canada Life	Toronto
Jan. 22	Crown Life	Toronto
Jan. 22	Foreign Power Sec.	Montreal
Jan. 23	Duquesne Mining	Toronto
Jan. 25	North Amer. Life	Toronto
Jan. 26	Confederation Life	Toronto
Jan. 27	Continental Life	Toronto
Jan. 28	Excelsior Life	Toronto
Feb. 1	Equitable Life	Waterloo
Feb. 3	Bank of Nova Scotia	Halifax
Feb. 4	Mutual Life	Waterloo

Investment Trusts

	Bid	Asked
Affiliated Funds	2.23	2.44
Can. Int. Trust	4.25	4.75
Can. Invest. Fund	3.40	3.75
Can. Investors	4.50	...
Corp. Investors	5.40	5.80
Trans-Canada	9.60	10.45

Bond Tenders

Jan. 14 Canada Treasury Bills—$45,000,000 dated Jan. 15, 1943, payable Apr. 6, 1943.

Noon, Jan. 12 Halifax—$825,000, 2½, 3 and 3½ per cent, maturing 1944 to 1963. A. M. Butler, Commissioner of Finance.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Stand. Lime▲	6%	1944	Feb. 1	102
Atlantic Sugar*	4%	1951	Mar. 1	102
T. Eaton Realty	†4%	1951	Jan. 29	100
Ritchie Cut Stone	6‡‡	1948	Mar. 1	102

▲$21,500. *$22,000. †$260,000.

Firm Power Use Hits New Peak

Daily Average for November Highest Ever Recorded by Industry

From Our Own Correspondent

MONTREAL.—Daily average consumption of firm power in Canada established a new peak last November, though for the first time in 1942 the total output of the central electric stations was less than for the corresponding months of 1941.

The November daily average of firm power consumption was 94.2 million kw.h. This exceeded the October average by 3.3%; the Nov., 1941, average by 9.7%, and the Nov., 1940, average by 39.2%.

The total output of all stations for November was 3,180 million kw.h. This compares with 3,184 million kw.h. in Nov., 1941. This decrease was all in secondary power, which dropped from 485 million to 238 million kw.h.

Secondary power for use in Canada decreased from 408 million kw.h. in Nov., 1941, to 147 million kw.h. for the same month in 1942.

Power Exports

Exports to the United States totalled 206 million kw.h., as against 199 million kw.h. the previous year. Primary power exports, however, decreased by 5.5%, while secondary power exports increased by 16.9%.

Practically all the provinces report larger consumption of firm power in Nov., 1942, than in the same month of 1941. Quebec recorded a notable increase, as did Alberta. The gain in Ontario and the other provinces was relatively small.

Firm Power Consumption (Thousands of Kilowatt Hours)

	November 1942	November 1941
Prince Ed. Island	914	896
Nova Scotia	47,985	42,567
New Brunswick	42,569	44,230
Quebec	1,321,012	1,110,860
Ontario	978,708	972,401
Manitoba	102,789	97,782
Saskatchewan	66,187	54,764
Alberta	43,792	33,720
British Columbia	222,565	218,877
Total	2,826,521	2,576,187

Quebec Newsprint Power Use Cut

Quebec newsprint mills are now using less firm power than at any time in the last three years. Primary sales by public utilities to the industry in October last totalled 217 million kw.h. This compares with 283 million kw.h. in Oct., 1941 and 246.4 million kw.h. in May, 1940. The trend of primary power consumption by the Quebec mills, with comparative figures for all sales, follow:

Primary Power Sales (Millions of Kilowatt Hours)

	Newsprint Mills	Total Sales
May, 1940	246.4	681.0
Oct., 1941	283.0	1,022.0
Oct., 1942	217.0	1,215.0

Murray Bay Paper Co.'s charter has been surrendered. This company was incorporated in 1928 when taken over by Abitibi Power & Paper Co. In 1933 the property was sold to Donohue Bros., Ltd., which operates the plant under that name.

No Bond Payment Seen From Abitibi Mill Sale

Sale of Espanola Mill to Michigan Interests Viewed as Capital Receipt, Hence Not Eligible Under F.E.C.B.

There is little likelihood that a further distribution to holders of Abitibi Power & Paper Co.'s 5% bonds will be made as a result of the sale of the company's Espanola mill to the Kalamazoo Vegetable Parchment Co., Kalamazoo, Mich., The Financial Post is informed. Price to be paid has not been officially announced but is said to be in the neighborhood of $1 million.

Question of whether or not a distribution can be made will be determined by Foreign Exchange Control Board policies, which at present, according to spokesmen for the Bondholders' Protective Committee, would probably not permit any payment. Reason for such action apparently would be that F.E.C.B. will allow only current earnings to be converted into foreign exchange for payment to non-residents. The payment for the Espanola mill, it is suggested, would likely be regarded as a capital payment and would not come under the regulation. Any such action would have to be made through court order and no application has yet been made.

To Make Pulp

Under terms of the deal as announced by Hon. N. O. Hipel, Ontario minister of lands and forests, and G. T. Clarkson, receiver and manager for Abitibi, the purchaser agrees to proceed with rebuilding and extending the mill as soon as the war ends or as soon as priorities can be secured to convert it into a sulphate pulp mill. Expansion of the existing plant, it is claimed, would mean expenditure of several million dollars.

The Kalamazoo company has also agreed to take over portions of the pulp concessions formerly held by Abitibi and will use all species of pulpwood, but chiefly jack pine. Sufficient areas of pulpwood have been made available to the company by the province to supply its needs for raw materials in perpetuity under proper forest management.

The Espanola mill has been idle for 14 years. It was taken over by Abitibi in 1928 with purchase of the Spanish River Pulp & Paper Co. through an exchange of shares. As a newsprint producer, it has been asserted Espanola was too high cost to compete with more efficient mills and would have required extensive re-building. Abitibi has another idle mill at Sturgeon Falls in much the same condition as its Espanola plant.

It is understood that a condition of the sale was that the Espanola plant should not be used to make newsprint.

The Financial Post is told that there are now perhaps $1 million available from current earnings which might be distributed to bondholders without any conflict with F.E.C.B. regulations. This does not include any payment for Espanola but is the balance of current earnings realized after F.E.C.B. took over control in 1939 and after allowing for the two distributions already made. It is claimed that bondholders are unlikely to ask the courts for permission to distribute as small a sum as $1 million, preferring to wait until a more substantial amount is available. The two distributions to date have repaid 23% of the principal of the bonds outstanding and have required $11.1 millions. Since the last payment was made in April last year, trend of earnings has turned downward and little prospect for improvement is seen this year.

From time to time there has been talk of selling other parts of the Abitibi assets. The Sturgeon Falls mill would probably be sold if a suitable offer could be obtained. Negotiations for the sale of Kaministiquia Power Co. to Hydro-Electric Power Commission of Ontario have also been reported but it is understood no deal is expected in the near future.

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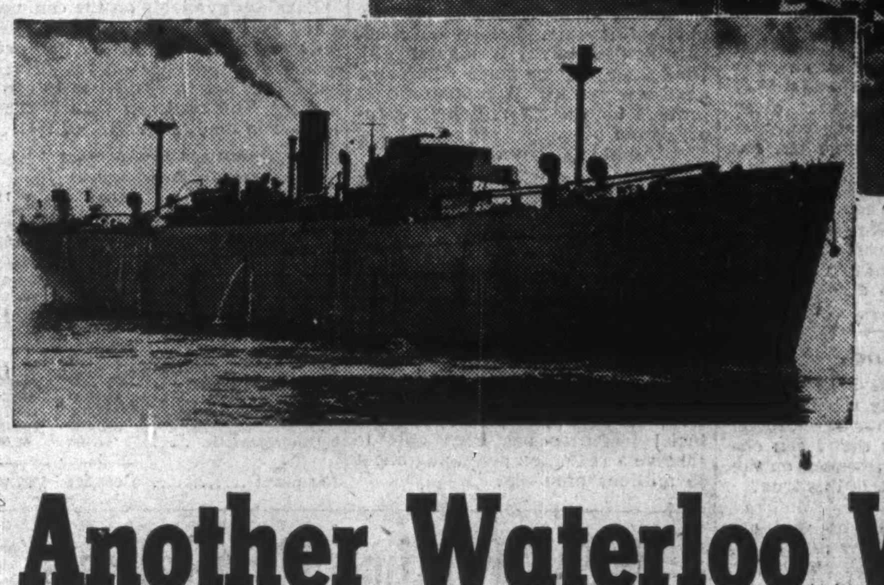

MARINE ENGINES

Another Waterloo War Product

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THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, January 16, 1943

You Won't Starve in 1943 — But Your Diet Will Be Simpler

We will Switch Roasts and Steaks for Soups and Stews, Count Coupons as Closely as Calories in the Lean Year Ahead

By GORDON L. SMITH

Canadian menus are going to be simpler this year. We are going to get along with less meat and perhaps less butter. The trend will be toward the peasant diet of pre-war France with emphasis on bread, soups and stews, instead of on roasts, steaks and food out of cans.

To talk of famine in a country with enough stored wheat to keep us fed for five years is, of course, sheer nonsense, but that does not mean that there are no shortages. There are several in the food line, and even the most optimistic planner at Ottawa is none too sure that we will get by easily.

Probable Action

Once official Ottawa is convinced of the seriousness of the food situation, and there still seems to be some doubt as to whether the right people have been convinced, then action to boost production may be expected along the following lines and in the following order:

1. Increased subsidies or prices to farmers.
2. More control over farm marketing, to check actual or potential bootlegging and to aid filling of export bacon and possibly cattle quotas.
3. More manpower made available to agriculture and food industries, possibly early exemption of farm labor from further draft calls, soldiers with farm skill given special seeding and harvesting leaves, farm machinery pooling, etc.
4. More general food rationing including meat and dairy products.

Realists argue that Canadian farmers are as patriotic as any group of citizens, but that if they are to compete in the labor market with war industries they must have returns that compare with those of the war industries. They desire something in the nature of cost plus contracts for production of all vitally needed foods. They also maintain that subsidies are not inflationary, or, at least, less inflationary than general price increases, and that decisions of how much and when these subsidies should be paid should be left to the agricultural authorities, not the Wartime Prices and Trade Board.

Marketing Control

If granted greater returns, farm food producers would probably be asked for more co-operation in marketing. It is claimed that much food, some of it wanted to fill export quotas, has been going direct from farmer to consumer or sometimes via the country butcher. Some check over farm butchering and private farm marketing is considered essential if the authorities charged with our food programme are to get production steered into the channels planned.

A settlement of the food manpower problem is more complex, but the need for some solution, and an immediate one, is obvious to anyone who has witnessed the drain of all surplus labor from Canadian farms in the last 18 months.

Coming to point No. 4, more general food rationing, we get into the biggest headache of all. Officials at Ottawa are more prone to discuss the difficulties of such a step than possible results. Rationing of such imported products as sugar and coffee, where only a few score primary distributors had to be policed, is considered a child's task compared with that of handling the 750,000 farm food producers in Canada.

Even butter, long delayed by Ottawa, because of difficulties involved, was comparatively simple. There the authorities were dealing with a product that varied in kind not at all and in quality only to a limited degree. Moreover, unlike meats, butter is easily kept for a long period of time.

Wide Range

In meats, on the other hand, there is a wide range of variety, beef, pork, veal, mutton, and poultry, and various main grades of each. All are highly perishable, and every farmer with a piece of rope, an apple tree or a telephone pole, and a butcher's knife, is a potential producer. A huge army of inspectors and policemen might be needed to stamp out bootlegging and prevent any outbreak of disease.

One thing is certain, that Ottawa will only enact general food rationing as a last resort, but that does not mean rationing will not be adopted before very long.

A United Nation's Job

Had Canada only to think of herself, then the situation would be different. In addition to our great surplus of wheat we would be literally rolling in pork products, cheese and milk, and there wouldn't be a great deal of worry about butter or even beef. But, as Hon. J. G. Gardiner pointed out on his return from Washington last week, the food problem is now one that concerns the United Nations as a whole.

We are all in this thing together and it is up to every partner to see that the other is fed. Moreover, before the year is out, we are likely to have some, if not all, of liberated Europe to feed, and if we are to meet that responsibility then, we will have to start accumulating stock piles now.

From Surplus to Shortage

In 1941 Canada and the United States were still in the surplus stage as regards food. There was plenty, too much some producers argued, of almost anything we wanted to eat. Now the picture is completely altered. The only plentiful lines left are wheat and cereal products made from wheat—bread, breakfast foods, flour, etc., and a little extra cheese. And the latter, if the present acute meat shortage in central Canada continues for a few weeks, will soon be eaten up.

What has brought about this sudden change from a position where we sniffed at everything except the very best to one where we are thankful for a pound of hamburger?

Why The Shortage?

There are many reasons.

Of major importance are our war exports of food to Great Britain and the amazing increase in home consumption. These two trends have quickly consumed most of our surplus. Aggravating the general situation too, has been a serious and growing shortage of labor for producing and processing foods, especially the more concentrated things like beef, dairy and poultry products. Aggravating it again have been runs and consumer hoarding of certain foods, like butter and canned goods.

Individually, this hoarding has been of a minor nature. The housewife with a few extra tins of tomatoes or a pound or two of butter never realized that she was upsetting a supply and demand situation that has been growing ever more delicate in the last six months. A million housewives, with an extra pound of butter in the kitchen refrigerator, can quickly bring about a shortage where production and demand are almost evenly balanced.

Producer Hoarding

And somewhat similar hoarding has occurred among producers following the practice of the Wartime Prices and Trade Board in adopting graduated rises in certain lines like butter and beef cattle. Both of these products can be held, the former in ordinary creamery cold storage and the other in the stall or on pasture so long as feed is available.

Definite figures are not available, but it is no secret that cattle, at least, are being held back from market until the official maximum price is reached next May. This beef, contrary to the implications of some scare stories is not lost. Eventually these animals will come to the slaughter house and be several hundred pounds heavier than they would have been had they been butchered last fall.

All these have been factors in creating food shortages, some of them permanent, some purely temporary, but all disturbing to the housewife and the retailer, who cannot forget the days when shelves were filled and selection ample.

Last year with the exception of a relatively short period when beef and butter were scarce, Canadians were able to buy all the food they needed and we also shipped huge quantities to Great Britain. To the latter went practically all of our high class salmon, most of our cheese, and a large proportion of our pork products. We fulfilled most of our food contracts with Great Britain, though an extra month was needed to do this with bacon.

In beef cattle we were forced to put a ban on live cattle exports to United States, but not until we had shipped about half our yearly quota of over 200,000 head.

And we did all exporting despite the fact that domestic civilian consumption of concentrated food products, like meat and dairy products, probably increased by 10% and scores of thousands of hungry and husky soldiers, sailors and airmen had to be fed in the home camps.

Our Plans For 1943

In the year now commencing we have planned increases in our exports to Great Britain. We may reopen the live cattle shipments to the United States to enable American farmers to maintain meat shipments to our allies. We have also planned to cope with a still further increase in certain lines of domestic consumption. Details of this plan are set forth in the accompanying table. Whether we can live up to these expectations and still feed our own population generously is another matter.

At Ottawa opinion is divided. There are some high placed officials who maintain that we can do this and do it without rationing. They argue that present manpower, present foundation stocks of livestock, and out present supplies of farm raw materials, mostly stored grain and fodder, are ample for the job.

There are others who maintain that we cannot do it, especially if we again ship live cattle to the United States. They predict considerable restriction in our present consumption of meat and dairy products, which will mean more general food rationing and quite probably some meatless and butterless days as well.

Finally there is a third and more pessimistic group, who flatly say that we cannot maintain present food production, let alone meet the planned increases in export to our allies, unless we give farmers much more encouragement in the way of subsidies and higher prices, and make large blocks of skilled labor available to them. Food production, they warn, has become even more important than measures to prevent inflation.

Averaging these opinions and leaning toward the conservative side will probably give us the true picture.

This indicates an uncomfortably tight situation. Undoubtedly there will be frequently recurring shortages, probably more general rationing before long, and perhaps some unpleasant surprises when it comes to producing and handling crops next summer.

Manpower And Raw Materials

Optimists in the food line pin their faith to the fact that last year we gathered the biggest grain crop in our history, and despite a labor shortage we harvested this under atrocious weather conditions. Actually, some of the last grain was combined during Christmas week. This accomplishment, say the food optimists, proves two points.

1. That the 1942 billion bushel crop of coarse grains, which is about 50% above the previous year, guarantees ample raw materials for producing all the meat, dairy and poultry products, etc., that we need.

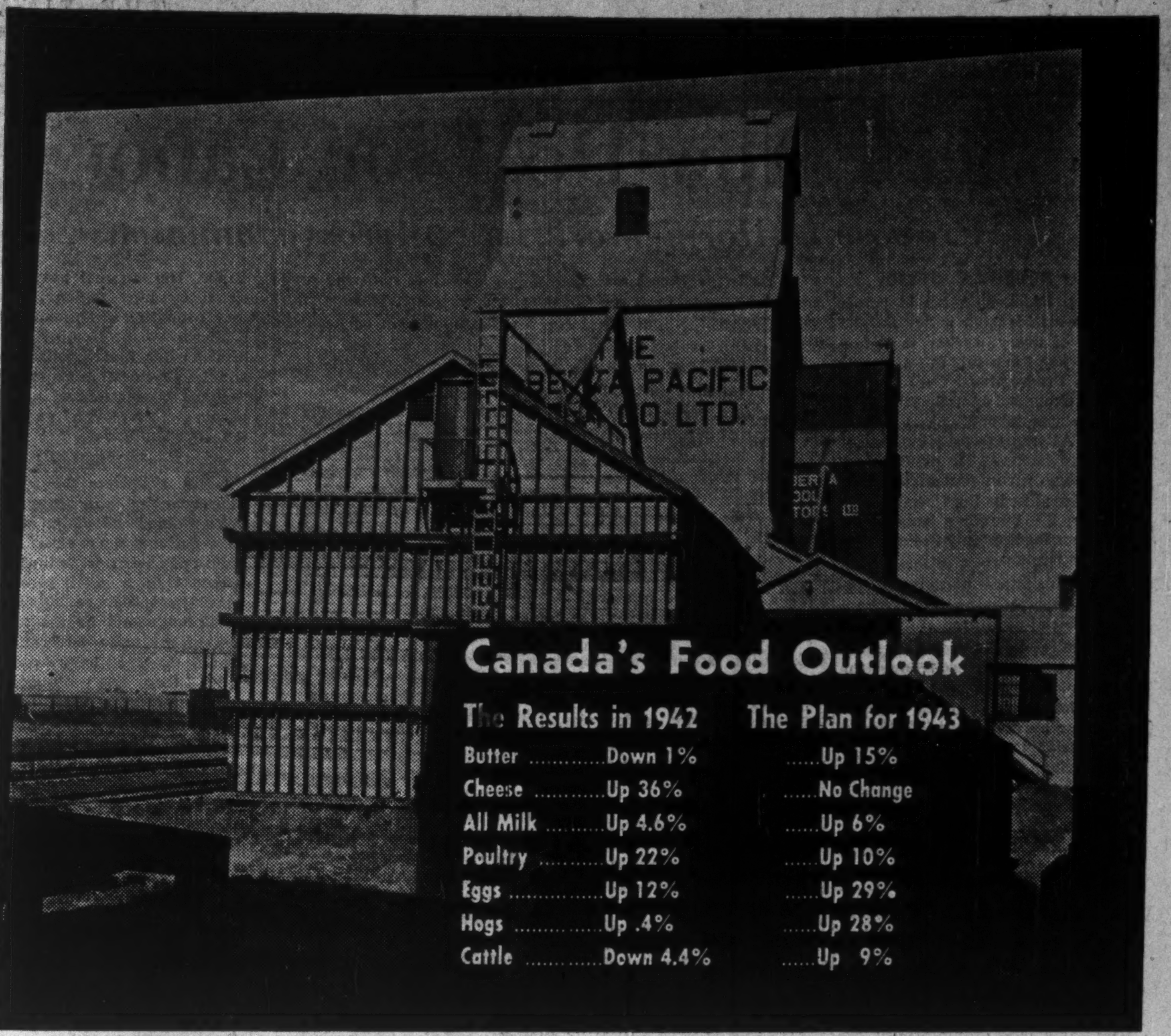
2. That the farm manpower problem may be serious, but it is not acute and still has unexpected reserve strength.

Those points are not unanimously conceded by all observers, as a perusal of the answers to The Financial Post question this week, on page 3, abundantly reveals.

We Can't Eat Hay

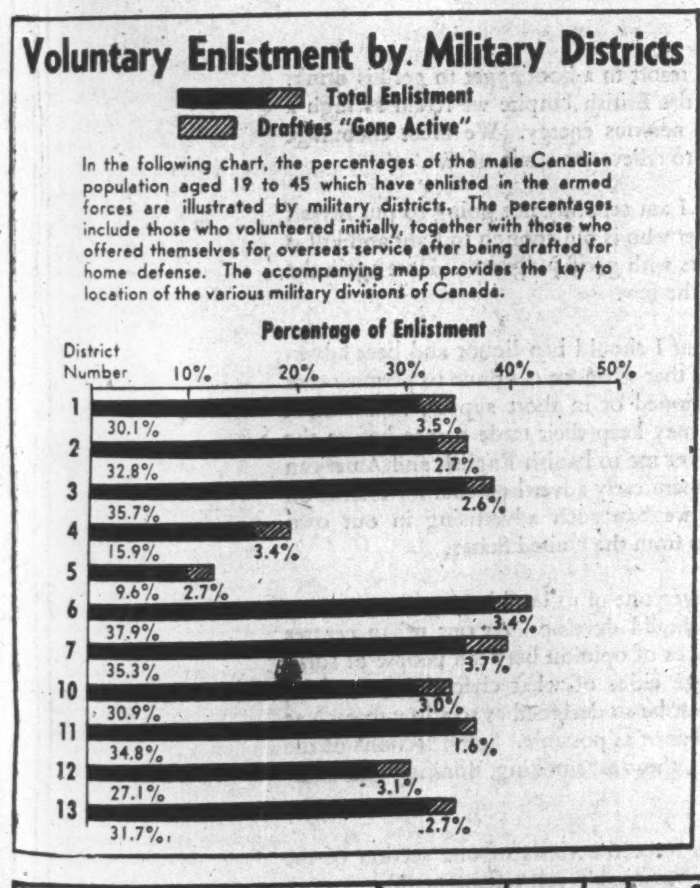
It is perfectly true that we have huge quantities of barley, oats, silage, hay, feed wheat, etc. Unfortunately, however, human beings cannot eat this sort of thing. First, it must be turned into meat, butter, eggs and other edible products. To do this requires much manpower and much already grown livestock. Feed and livestock must be brought together which means shipping from the surplus grain prairie provinces to the surplus livestock areas of Eastern Canada.

The argument that the successful harvesting of bumper crops in western Canada this year, under bad weather conditions, proves manpower is sufficient, is also assailed. Where this grain was grown, it is pointed out, farms are very largely mechanized and under such conditions it is possible to make an extra effort for a short period. It means, of course, running machines practically all night and the men almost as long whenever the weather is dry. Rest is made up when it rains or snows.



Canada's Food Production

	1941	1942	Planned 1943
Butter (million pounds)	286	283	322
Cheese "	149	202	200
All milk "	16,654	17,487	18,500
Poultry "	193	236	260
Eggs (million dozen)	244	274	345
Hog Slaughterings (thousand head)	6,225	6,250	8,000
Cattle (marketings)	1,163	1,111	1,220



In the above map and chart The Financial Post presents the latest available facts about Canadian Army enlistments as officially released.

"Ruml" Plan a Near Certainty

Now Mainly Question of Details: Plan Not All Candy

By STAFF WRITER

OTTAWA.—There's good and bad news for Canadian income taxpayers as Canada moves inevitably to adopt some form of pay-as-you-go tax plan.

The bad news is that adoption of pay-as-you-go income taxes in Canada at any time during the first eight months of 1943 will mean a higher tax deduction for almost every taxpayer.

The good news is that taxpayers would be granted a tax credit or refund which, in some cases will wipe out and may even exceed the "final" adjustment of account which is due for most wage and salary earners next September.

N.D.T. Boomerang

The reason for this is that between now and next September, income tax deductions are reduced below the amount of individual liability by reason of the National Defense Tax credit which most wage-earners piled up in the first eight months of 1942.

To take a typical example:

A married man without children earning $2,000 a year now has $11.30 deducted from his pay-check each month (exclusive of post-war tax refund). This is the rate which, under present tax rates, would continue until Sept., 1943.

On and after Sept., 1943 (assuming no change in present rates), the same wage-earner would have $17.30 (instead of $11.30) deducted from his pay envelope. The higher rate is because of the fact that by next September he would have exhausted the National Defense Tax credit which he had built up in the first eight months of 1942.

The official view at Ottawa is that if a pay-as-you-go tax plan is introduced in Canada prior to Sept. 1, 1943, the full scale tax rates would be automatically introduced.

This is where the good news comes in.

Any taxpayer who still has a National Defense Tax credit coming to him at the time taxes are switched to the pay-as-you-go plan, would probably be given either a cash refund or allowed to use this credit towards settlement of future income tax bills.

Under the present plan, salary and wage earners settle only 90% of their tax liability through their pay cheque deductions. The balance is left for settlement at the end of August. Any taxpayer who found himself with a National Defense tax credit by reason of adoption of the pay-as-you-go plan might use such a credit against his final 10% settlement of account.

This discussion presupposes that Ottawa will adopt a pay-as-you-go plan. Such a step is now generally taken as inevitable. What is being worked on now in the East Block is not so much the argument pro and con the scheme as the detailed mechanics of how to put such a scheme into operation.

U. S. STRONG FOR RUML

Special Correspondence

WASHINGTON.—Pressure is increasing for adoption of the Ruml Plan and for "Forced" savings as a result of President Roosevelt's request for sixteen billion dollars in additional taxes to help meet the extraordinary demands of the gigantic American budget that calls for a hundred billion dollars expenditure for war. Next year 96 cents out of every dollar the U. S. spends will go to make war.

The President wants additional taxes to help put the United States war finances on the same basis as those of Canada and Great Britain . . . meeting 50% of cost out of current revenues.

His budget message was not specific in its recommendations, leaving the actual determination of new taxes up to Congress. But Mr. Roosevelt said that the new $16 billion should come out of taxes and savings . . . and he amplified this at his annual budget conference with the press to make compulsory savings.

Immediately prior to his budget message Mr. Roosevelt committed himself as in favor of a "pay-as-you-go" plan. For collecting income taxes but he was less definite on the merits of the Ruml Plan.

This week the New York Times renewed its campaign for the Ruml Plan by putting out that it involved no loss of currency revenues and benefitted but two classes of persons . . . those destined to die in the next five years; or those whose incomes were higher in '42 than '43.

What the Times has been saying, congressmen have been saying. There has been growing sentiment, even within the Treasury, which originally opposed the scheme. Tax experts of that department together with the specialists in Congress have also been considering the proposal anew. The author of the plan himself believes Congress will come around to it this year.

The question seems to be whether or not it can be pushed through Congress before March 15. Chances are 50-50 against such early action, but the experts are also considering another plan by which American taxpayers might make a first-quarter payment on that date and switch to a "pay-as-you-go" system at a later date. Meanwhile a member of the Appropriations Committee told me "sentiment for the Ruml plan is growing like a Prairie fire." The American approach to forced savings—has been slower. Congress last year adopted a 5% victory tax subject to a small postwar refund. This year it is expected it will be upped to 10% at least.

By the time Congress finishes its tax labors, however, your U. S. neighbors expect to be paying almost as much by way of income taxes as the average Canadian.

First stop on the coast-to-coast tour of the Canadian Naval War Exhibition was Toronto. Actual naval equipment and armament, scale models of fighting ships, murals of the war at sea, all are featured in the exhibit, proceeds of which go to the Navy League of Canada. The Wrens, most decorative of recent naval acquisitions, take part in the display. Shown digesting some sample naval fare along with some information on the Wrens is C. L. Burton, president of Simpsons Ltd., which firm provided space for the Toronto display and has been actively promoting it.

Progressive Conservative Platform : Labor

Seek New Deal for Labor

Propose Uniform Work Laws Across Dominion

By ROBERT C. STARK

This is the fourth article of a series dealing with the seven planks of the Progressive Conservative platform. These articles will discuss the individual clauses that make up each plank. They are presented to show differing Conservative and Liberal philosophies, and to give a clear impression of a document whose economic importance may be as great as its political significance. The black face paragraphs are verbatim planks from the new platform.

John Bracken in his 14 points expressed his labor policy as "the right of every worker to a fair day's pay for a fair day's work." The Progressive Conservative party expanded upon that theme in a 12-clause labor plank at Winnipeg. Attempts to fully implement the provisions of the plank might conceivably run foul of the constitution; like its Port Hope predecessor, the Winnipeg labor plank confines itself mainly to the rights of the employee.

The blackface paragraphs following are verbatim extracts from the official platform.

● Uniform labor relations shall be established throughout the Dominion by Dominion-Provincial agreements, appropriate legislation, or by vesting jurisdiction in industrial labor matters in the Dominion.

Most labor legislation in Canada falls within the jurisdiction of the provinces under that section of the British North America Act which places "property and civil rights in the province" exclusively under provincial legislatures. This has led to a decided lack of uniformity across the Dominion.

Dr. A. E. Grauer, director of the Department of Social Services, University of Toronto, has written that this lack of uniformity has serious implications for internal policy. It has, to some extent, led to competitive bidding between provinces for industries at the expense of labor standards, he says, and where industries with poor standards have been encouraged, sore spots in labor relations and social conditions have been created. To secure more uniform and comprehensive labor laws in Canada, Dr. Grauer suggests three possibilities;

"One possible course has been suggested by the Trades and Labor Congress of Canada, namely, the turning over to the Dominion Parliament of jurisdiction in this field. A second possibility is to give concurrent powers to the Dominion and provincial legislatures with the Dominion being granted the right to implement the international legislation or to set minimum standards while the provinces retain the residual powers or the right to enact higher standards. A third possibility is to leave jurisdiction as it is at present, but to work out some mechanism for interprovincial consultation and action to achieve greater uniformity and higher standards."

It will be seen from this that Conservative thought parallels to some extent the Grauer expression.

● Collective bargaining is desirable and necessary in the interests of labor, industry and the social welfare of the people.

● Workers shall have full freedom of association, organization and designation of representatives of their own choosing for the purpose of negotiating the terms and conditions of their employment and when requested, employers shall be required to bargain collectively with their employees.

● Discrimination against any employee or prospective employee on account of his activities in respect of any labor organization shall be prohibited.

Collective bargaining legislation has been largely a provincial matter. Alberta, B.C., and Nova Scotia make collective bargaining compulsory; Manitoba, Quebec, Saskatchewan and New Brunswick make it lawful, while Ontario at the forthcoming session of the legislature is expected to consider compulsory collective bargaining legislation.

Alberta, B.C., Manitoba, New Brunswick and Saskatchewan make it an offense to intimidate anyone to join a union as well as to intimidate anyone to refrain from joining.

Early last December employees of Crown companies were given the right to bargain collectively through recognized trade unions.

The same order-in-council that allowed Crown company employees to bargain collectively provides that any employee shall be free to join a trade union, and that no person acting for the company shall dismiss or intimidate an employee for trade union activity.

There is no Dominion legislation making collective bargaining mandatory but order-in-council P.C. 2685, which sets out the principles of labor regulations for war industries, includes the principle that employers should collectively bargain with representatives of their employees.

● The Department of Labor shall establish a comprehensive conciliation service for the prompt conciliation of disputes.

Since 1907 the Industrial Disputes Investigation Act has been working to prevent and settle strikes and lockouts. The statute forbids any such stoppage of work until the matters in dispute have been dealt with by a board of conciliation and investigation. This provision normally applies to mines and certain public utility industries. Under the War Measures Act, however, its scope has been widened to cover disputes between employers and employees engaged in munitions, war supplies and defense projects. With the consent of the parties concerned, the machinery of the statute may also be used in connection with disputes in other industries.

To streamline work of this act and attempt to settle disputes more promptly and less expensively than might be possible through formal recourse to a board, provision was made in 1941 for appointment of industrial disputes inquiry commissions. These commissions make preliminary inquiry into disputes and if unable to effect an adjustment report to the Minister on the matters at issue, and advise him whether the circumstances warrant the establishent of a board of conciliation and investigation.

● A National Labor Relations Board with equal employer and employee representation and with a chairman appointed to represent the public interest shall be created, such board to be judicial in its functions and leading to the establishment of a well recognized labor jurisprudence.

● Industrial disputes which cannot be conciliated or otherwise settled, shall be referred for decision and report to the National Labor Relations Board, whose hearings shall be public.

The National Labor Relations Board upon complaint received or on its own volition shall have power to investigate any labor organization to ensure that its activities are not prejudicial to the interests of its members and do not interfere with the democratic rights of men to work and that they are not prejudicial to the national interest, and that coercion or domination of any labor organization or its members does not exist.

The resolution originally proposed at Winnipeg in this connection would have given the public equal representation but this was later reduced to one member, with three each for labor and industry being the thought in mind. It was claimed that if the public had three votes, making it equal to the others, it would be unfair to the other groups in some instances.

The proposed National Labor Relations Board is directly founded on Port Hope principles. Its wide powers are not found in existing machinery, the nearest approach being the National War Labor Board, which was primarily established to provide enforcement machinery for the Wartime Wages and Cost of Living Bonus Order. The national board is assisted by nine regional boards, each consisting of an independent chairman — the Dominion Labor Minister for the National Board, and the provincial minister for the regional boards — and an equal number of employers' and workers' representatives.

The proposed setting up of an N.L.R.B. evidences the apparent Conservative philosophy that labor problems should be attacked on a national scale. Basis of this philosophy seems to be that establishment of a well recognized labor jurisprudence across the Dominion would be the foundation of a wholly integrated approach to the labor problem, rather than an unco-ordinated and piecemeal attempt to solve whatever abuses might exist.

● Governmental encouragement and assistance should be given to the establishment of labor-management production committees in the interest of maximum war production and permanently sound labor relations.

These committees have also received loud support from representatives of the administration, including the Prime Minister. They received their greatest stimulus so far at the time when Elliott Little was director of National Selective Service.

Home Builders Organize To Obtain Priorities

Expect New National Association Will Smooth Problems Now, Protect Private Industry in Postwar Housing Projects

By IAN SCLANDERS

Builders in war centres across the country are busy setting up machinery which they hope will gain them a larger share of present home building and at the same time bring recognition of the rights of their industry in any postwar housing project.

They are doing this through establishment of the National Home Builders' Association. Formed in the last few weeks, this already has chapters in Toronto, Ottawa, Hamilton, London, Galt and Preston. There are indications that other chapters will be formed in cities all the way from Vancouver to Halifax, according to M. M. Walker, of Toronto. Secretary of the Canadian Lumbermen's Association, Mr. Walker is on loan to the National Home Builders' Association, to aid in organization.

Hon. C. D. Howe, Minister of Munitions and Supply, started the ball rolling when he told a builders' delegation at Ottawa, Nov. 9, that they would get "fullest co-operation" from his department as regards building materials if they would club together and sponsor projects for "a reasonable number of units."

Taking him up on this, the Toronto Home Builders' Association is making arrangements for builders to pool their requirements for 789 housing units, the Hamilton Home Builders' Association plans 262 units, and the Ottawa Home Builders' Association proposes at least 200 units. Methods of delivery and allocation of the necessary materials are being taken up with the government now.

The same delegation which met the Minister of Munitions discussed the financing of new homes with Dr. W. C. Clark, Deputy Minister of Finance. Spokesmen pointed out that building costs had increased. Under the National Housing Act, as it stood then, loans could be made up to 90% on homes having a lending value not exceeding $2,500, and up to 80% on homes costing more. It was recommended that the $2,500 limit for 90% loans be increased to $3,500.

Hon. J. L. Ilsley, Minister of Finance, went a long way toward meeting this request when, Dec. 14, he announced that an order-in-council had been passed that loans up to 90% could be made on homes having a lending value not exceeding $3,200, and in diminishing amounts down to 80% for houses having a lending value of $4,000.

The order provided for the following scale of loans:

90% when the lending value does not exceed $3,200 or
89% when the lending value exceeds $3,200, but does not exceed $3,300, or
88% when the lending value exceeds $3,300, but does not exceed $3,400, or
87% when the lending value exceeds $3,400, but does not exceed $3,500, or
86% when the lending value exceeds $3,500, but does not exceed $3,600, or
85% when the lending value exceeds $3,600, but does not exceed $3,700, or
84% when the lending value exceeds $3,700, but does not exceed $3,800, or
82% when the lending value exceeds $3,800, but does not exceed $3,900, or
80% when the lending value exceeds $3,900, but does not exceed $4,000.

According to builders, the more generous scale of loans is a major step in the right direction, but there are still two big drawbacks.

It is stated that some loan companies which are co-operating with the government are withholding financial assistance until the homes are completed— this because, with the critical shortage of materials, they have little assurance of the ability of a builder to complete a job. Formerly, money was advanced in installments, as construction progressed.

Second drawback, builders say, is that while the government has agreed to 90% loans for houses costing up to $3,200, loan companies can fix an arbitrary valuation for loan purposes. Thus a company might argue that values are inflated because of the war, and that from the standpoint of good business a house costing $3,200 could not properly be valued at more than $3,000.

Builders claim this is a handicap in financing new houses, and propose to see whether some way of surmounting it cannot be worked out with Ottawa.

According to Mr. Walker, builders of the country are fairly unanimous on the need of organizing so as to be able to submit pooled requirements, and also in order to be able to speak for postwar recognition with a united voice.

Mr. Howe's assurance of co-operation, and Mr. Ilsley's gesture on financing, have gone far in alleviating the suspicion of private builders that Wartime Housing Ltd. was a seed which would grow into state monopoly of all residential construction.

At the same time the industry plans to stay on the alert. Its leaders realize a housing programme is almost inevitable for the postwar reconstruction period, and that this can either be achieved through government encouragement of private building, by state home construction, or by a combination of both. They hope to prove by what they are able to do now that home building should be left in private hands.

The builders have not criticized the function of Wartime Housing in providing temporary dwellings in emergency areas, but they have contended that where permanent housing is required it can be provided best by private enterprise, if private enterprise is given the chance.

One point emphasized by the delegation which went before Mr. Howe and Dr. Clark was that "new house construction by private enterprise fits more naturally and with less expense and dislocation into the existing scheme of municipal organization and educational facilities." Wartime Housing has preferred to build in new areas, constructing roads, sewers, water mains and other facilities, while private builders take advantage of vacant lots in built up areas, where service facilities are already available.

An organization conference, to decide policy and draw up a constitution, will be held soon by the National Home Builders' Association, in Toronto. The date has not yet been set. An advisory committee on organization is composed of five Toronto men, Clayton C. Hulburt, H. G. Long, George M. Carton, W. G. Fugler and S. A. Griffin.

It is anticipated that war centres, where the housing shortage is acute, will be the first to form chapters. Because of the critical material situation, it is unlikely that any efforts will be made to obtain priorities for construction in cities where housing is ample to fill current needs.

Dominion Glass Co.'s operations continue at capacity, L. J. Belnap, president, told the shareholders at the annual meeting. Referring to the year ended Sept. 30 last, Mr. Belnap pointed to the fact that while volume of business had increased approximately 25% over 1941, profits did not expand in comparison, due mainly to higher operating costs and taxes.

Bank of Canada Note Issue Expanded 40% in Past Year

Features of the balance sheet of the Bank of Canada as at Dec. 31 are substantial expansion in note circulation on the liability side; a large increase in investments and a sharp drop in holdings of sterling and United States exchange on the credit side. Total assets are up more than 24% since the beginning of 1942.

The expansion in the note issue, almost 40% over last year, is attributed by bankers to the greater demand for cash, due mainly to expansion in business, civil and military payrolls, higher prices, etc. Another factor has been the closing of many branches of the chartered banks resulting in more business being done on a cash basis than formerly.

The 67% rise in investments reflects the government's war financing.

Holdings of sterling exchange decreased almost 100% during the year. The high point in this item was reached in April at $474 millions. This figure dropped sharply in succeeding weeks due partly to the funds being used to repatriate Canadian bonds held in Britain and also funds paid over under the gift to Britain plan.

BANK OF CANADA CHANGES IN 1942

	—Dec. 31— 1942 $	1941 $	% Change %
Note circ. ..	693,617,931	495,956,232	+39.8
Total deps. .	330,642,005	315,574,300	+4.7
Sterling & U.S. dollars in res.	499,192	200,861,155	—99.7
Investments:			
Dom. & Prov. sh. term secs.	807,227,340	391,783,438	+106
Dom. & Prov. other secs..	209,173,382	216,688,426	—3.4
Total	1,016,400,722	608,471,865	+67
Total assets.	1,048,211,214	842,861,566	+24.3

B. C. Bond Men Hold Meeting

At the recent annual meeting of the British Columbia Bond Dealers Association the important part being taken by members in war finance work was stressed. The following were elected to office for the ensuing year:

FRASER WRIGHT, president.
ROSS WILSON, vice-president.
C. J. COPITHORNE, J. B. CRANE, J. CHILCOTT, D. C. RITCHIE, executive committee.
F. GORDON SWEET, honorary secretary.
S. G. COX, honorary auditor.

AN ALTERNATIVE SPEECH ON TEMPERANCE

On Wednesday, December 16th, the Prime Minister broadcast a speech on Temperance. Canadian Breweries Limited respectfully submits to the Prime Minister what it considers would have been a more suitable speech. It does so, not from any profit motive, since its profits are already controlled by the excess profits tax, but out of a desire to retain the public's respect for its industry and those engaged in it.

THE use of beer, wine and spirits has for long been a controversial subject in Canada and from time to time your government is called upon to find a point of harmony between those who do not drink at all and would like all those beverages prohibited, and those who drink moderately and resent any interference with their liberty. If such a point of harmony could be found, and the whole subject put outside politics and religion, it would be a good thing for Canada's unity in wartime, and later, in peace.

It is important to decide whether or not this should be a moral issue or whether we should look upon drinking in the same light as eating and smoking. The evidence before me shows that many Canadians indulge moderately in beer and spirits. These consumers, as well as those who manufacture the beverages, resent the implication that they are not good Christians.

I think the issue becomes a moral one only at the point where individuals drink excessively and become a nuisance. All parties should be able to agree on this. Let us say therefore, that moderation is the ideal which all good Canadians are eager to attain.

The next thing to determine is whether or not ours is a temperate nation. I have every reason to believe that it is. I know that we consume less beer in Canada, per capita, than they do in Great Britain and the United States. This being so, the problem reduces itself to one of dealing with a few irresponsible people who give the advocates of prohibition a falsely dramatic impression of current conditions.

My attention is drawn to the increased sales of beer and spirits since the beginning of the war, but these increases are only at half the rate of the rise in the National income. Many workmen are now busy who before were idle and penniless.

Let me say at once, there's no question of any unwillingness on anyone's part to make sacrifices for the war, least of all among the brewers who have co-operated in every way possible and I am sure will continue to do so. But it should be pointed out here that fifty men can produce a million gallons of beer, and the basic raw materials necessary to supply the whole of Canada's need of beer are available locally in abundance. Any curtailments that do become necessary we will make with precisely the same attitude and impartiality shown to other consumer goods. The one thing I always regret when restrictions are made is that moderate people are invariably the ones to be deprived.

There is a great deal of medical evidence to prove that a hard-working man who drinks beer moderately, not only nourishes his system, but relieves the nervous and physical strain of his busy day. No one will want to deprive him of this form of relaxation, nor to make its availability so difficult that a worker on a night shift will have to resort to a bootlegger to get his drink. It is important that in this part of the British Empire we retain as high a reserve as possible of physical and nervous energy. We must encourage every form of wholesome relaxation to relieve the strain of war.

So far as the army is concerned I am certainly not going to put myself in the position of saying that a soldier who is old enough to fight and kill is too young to choose his refreshments with good judgment. Here again the reputations of many are spoiled by the few.

It has been suggested to me that I should ban liquor and beer advertising but how could I in fairness do that when we continue to permit other manufacturers, whose goods are rationed or in short supply, to maintain their advertising in order that they may keep their trade names before the public. Furthermore, no one will want me to banish English and American periodicals from Canada. Most of them carry advertisements for brands on sale in this country. How could we ban such advertising in our own publications and allow them in those from the United States.

In conclusion let me say this: Everyone of us has his own ideas of what character our fast growing nation should develop. As our urban centres grow there are bound to be differences of opinion between people of some rural districts and those in the large cities of what civic rights shall be allowed to the people. Our laws must be so designed as to allow to each as much freedom of choice and self reliance as possible. Some sections of the population look askance on dancing, theatres, smoking, drinking and many types of literature.

Let us resolve therefore not to force the views of one section of the community on the other. When a reasonable self-reliant people have an unreasonable law imposed upon them they simply ignore that law with disastrous results to the legal institutions of the country. We learned this at bitter cost during prohibition years. The greatest friend of temperance would not want to greet our men's return from abroad with the evil spectacle of prohibition.

I am convinced we cannot force the principle of moderation but we can teach it. I appeal to all in this nation to be temperate in everything they do in order that we may exert the maximum impact on the enemy. In particular I appeal to brewers and distillers and those interested in true temperance to join forces and use every additional means at their disposal to spread the principle of moderation. I appeal to the provincial authorities to so frame the regulations for retail sale that the business will be conducted in the open and on the highest ethical standards and not driven underground and to the bootleggers. Surely this is an effort to which all parties can agree harmoniously.

Canadian Breweries Limited

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON. — London is immensely pleased at the appointment of Colonel Denys Reitz, South Africa's Deputy Prime Minister, as High Commissioner. He was over here early in the war and made a deep impression. He has that calm strength of a man who has fought hard all his life and found peace within his soul. His book "Commando" is a tale to thrill every man who still retains something of the boy in his veins.

When the Boer War broke out Reitz's father was deputy to President Kruger. His three sons, Denys was the youngest, joined the fighting forces, undergoing such hardship and enduring such dangers as have seldom come to men. Their horses died of exposure, they were often without food for three days, they were always outnumbered, but they were great horsemen, great marksmen and great patriots. Denys Reitz took part in Smuts' magnificent ride to the sea.

Reitz's father succeeded Kruger as President before the end of the war and eventually made peace with the British but would not live under their rule. With his two remaining sons he went to live in Madagascar.

Years passed until at last Smuts wrote to Denys Reitz urging him to come back and play a part in the life of his own country. So Reitz returned. And such is the transforming power of time that when the war of 1914 came Colonel Reitz commanded a British battalion in France.

Now in the autumn of his days he comes to London as High Commissioner. It is a splendid story and London will receive him proudly.

* * *

I have before me a letter from Squadron Leader Clarence Goode who recently went to Canada on instructional work.

"The Canadians are the best people I have ever known."

I just thought you might like to hear how you look to visitors.

* * *

Brabazon on the Drama

Lord Brabazon of Tara (the former Colonel Moore Brabazon and erstwhile Minister of Aircraft Production) was the first Englishman to fly. He also won speed trophies in racing cars, and held the Cresta Run record for some time. In fact he is always ready to rush where even angels might have doubts. Last week he rushed in an entirely new direction with a violent letter to the "Daily Telegraph" in which he accused the critics of conniving to kill the British drama in order to hand the London stage over to Broadway in the same way that the British screen has been surrendered to Hollywood.

Certainly the Americanization of British stage and screen entertainment is proceeding at a rapid pace. The British ear is becoming attuned to the American voice, the British mind is being captured by American pace, American psychology, American values. The British playwright, forced to write of his own people in a slower tempo, bores his audience.

The London stage has more than a mere suggestion of Broadway about it. There is "Arsenic and Old Lace" in which thirteen murders are committed in a Brooklyn boarding house. There is "The Petrified Forest" where a murder takes place in a gasoline filling station in Arkansas. There is "Watch on the Rhine" in which a Roumanian is bumped off in a Washington drawing-room. There is "Claudia" in which a young wife, soon to have a baby in her Long Island home, does not know that it is wrong to let another man kiss her. There is another play about a man who came to dinner in Wisconsin. There is the Musical show "Du Barry was a Lady" which opens in a New York cloak room for gentlemen—and so on.

Brabazon does not pretend that these productions are not dexterous and entertaining. He merely says that they are bewitching the critics and the public alike and fouling the palate for the home produced dramatic fare.

Probably as a result of Lord Brabazon's letter there were extraordinary scenes at St. James' Theatre for the last night of Baxter's play. There were fifteen "curtains" and people shouted from the galleries that the play must go on. The critics were booed, the author made a speech, the cast were in tears and—the play came off. But there is a suspicion that the critics have not heard the last of it yet.

* * *

Beecham for Britain

Lady Cunard, who recently returned from America, is a woman who talks much and feels strongly. One of the things she feels most strongly about is that Sir Thomas Beecham should be asked by the British Government to come home. Accordingly her Ladyship has been lobbying various Ministers who indicate, with a certain lamentable logic, that the matter does not rest with their particular department.

News percolates across the Atlantic that Beecham is a great success at the Metropolitan Opera House in New York and that his "asides" have not been quite so irresponsible or entertaining as in the past. But I cannot see the British Government asking him to come back and take up the baton in Britain.

The present boom in music over here owes much to Beecham. He kept the flag flying when everything was against him. And then when the harvest was ready (why not a good mixed metaphor when you are about it?) Thomas dropped his scythe and went across the seas. However, Lady Cunard intends to bring the prodigal son home. She will not rest until the son of the great founder of Beecham's Pills casts his genius and his spell upon a British Orchestra once more.

* * *

Cycle Completed

The Darlan assassination happened when the British newspapers were taking a two-day Xmas holiday. But the B.B.C. sent out the news with all its dramatic suddenness and unsparing cruelty. Once more, as in the case of the abortive attempt to assassinate Laval, we saw the spectacle of a stricken man over whom no tears were shed beyond his immediate circle. Yet the killing of Darlan will rank with the most sensational stories of the war such as the flight of Chamberlain to Berchtesgaden and the flight of Hess to Britain.

The macabre tragedy of Bordeaux and Vichy is being played out to a finish. When Petain and his associates made a "Gentlemen's Armistice" with Hitler they put their souls in pawn and tore up the tickets. Every step since has been one of greater degradation. Whether Darlan really experienced a change of heart may never be known but the dreadful charge remains that he handed over his own countrymen to be punished by Germany. Not for Darlan the famous cross: "Mort sur le champ d'honneur."

* * *

From the dead to the living. Some of the newspapers have been trying to forecast who will prove the greatest man of 1943. The general consensus is that it will be Joe Stalin.

Postwar Markets — Correspondence

Hurdles For Manufacturers

Lower Tariffs, New Designs, May Hit Canadian Position

The viewpoint of this Canadian manufacturer, who has asked to remain anonymous, is significant to many other manufacturers.

Vis-à-vis their U. S. competitors, he states, Canadian makers of washing machines will be at a disadvantage because models were frozen here at a time when progress was continuing in the United States. If the Canadian product is called upon to meet this competition with lower tariff protection, the result may well be serious.

His third point, that the washer industry may be going through a phase of consolidation and centralization similar to that in the automobile industry, is probably less applicable to other industries.

A letter to the Editor of The Financial Post by a Canadian manufacturer.

The Canadian washing machine industry is aware that when peace comes again many Canadian homes will have no washing machine of any kind. To what extent the Canadian washing machine industry will share in this market is a matter of real concern. The extent to which Canadian tariffs on U. S. washers is lowered in the post-war era will very directly determine how much or little of this market will be secured by the Canadian washing machine industry.

Under the Canada-United States Trade Agreement the tariff on American washing machines was lowered from 35% to 25%. American washers immediately commenced to pour into Canada at such a rate that at the outbreak of the war approximately one third of the washing machines sold in Canada were of American manufacture. Washing machines have been one of the items which Mr. Bracken has advocated for lower tariff treatment for years.

Recent public announcement that the King administration has approved in principle of the further removal of tariff barriers in the post-war period cannot but leave the Canadian washing machine manufacturer wondering if any worthwhile part of the Canadian washer market will be left for him if tariffs are further reduced. This is particularly true if this reduction takes place at a time when the Canadian industry is attempting to revert to peacetime operations again.

This threat of increased American competition is further increased by the fact that Canadian washing machine design and engineering was frozen in Canada early in the war. This was not so in the United States. The automatic washing machine and other new designs continued to be developed in the United States long after all new designs or development in Canada was forbidden. A very large number of automatic washers were sold by several American companies in the United States in 1941 and early in 1942.

Several other large American companies have since perfected a design of an automatic washer and will have models available quickly for the postwar market. There appears to be no doubt that the automatic washer will greatly revolutionize the washing machine industry after the war, and even may eliminate the small independent washing machine manufacturer in the United States through a shaking down of the industry similar to that which the automobile industry experienced a decade ago.

The independent Canadian washing machine manufacturer, with his new design and engineering stopped since early in the war will, after the war, have nothing ready to meet this new competition from the American manufacturer who will at that time be prepared immediately to go all out in producing and distributing an automatic washing machine or machines of similar design. If tariffs are further reduced at such a time the Canadian washing machine industry will be facing a very severe situation and one which unquestionably some Canadian companies will not survive.

Lake Freighters Aim At New Ore Records

Fresh from a season of Great Lakes shipping which saw many major records set, transportation authorities are already laying plans for breaking these 1942 records in the coming season.

Vessels operating on the Great Lakes this year delivered 92.1 million gross tons of iron ore, which exceeds goals set by the U.S. War Production Board and is almost 12 million tons above the 1941 figure.

For next year, the War Production Board wants 100 million gross tons, a target which the lakes fleet can probably achieve, given favorable operating conditions, according to Business Week.

In 1942, 340 American and Canadian ore carriers, including several boats which regularly carry grain, operated during a record-breaking season of 254 days. First cargo of iron ore was loaded at Escanaba, Mich., on March 24, and the last unloaded at Cleveland, on Dec. 17.

Several new records were set up. One of them was for total tonnage established by the Canadian freighter Lemoyne, which on July 29 delivered 17,042 gross tons of iron ore at Hamilton from Superior, Wis., and on July 19 delivered 17,775 net tons of bituminous coal at Hamilton from Ashtabula, Ohio.

The new speed record of 5¾ days for a round trip from Conneaut, Ohio, to Duluth was established by a new freighter launched by Pittsburgh Steamships. This is now said to be regular running time for the new boats and compares with the previous schedule of 7¼ days.

There is no word of new Canadian lake freighters likely to be ready next year, but a number of new boats are being constructed for the Maritime Commission in the United States. Sixteen new freighters will be put into service in the spring, adding 6.4 million tons to the seasonal capacity of the ore fleet. Five new carriers of the Pittsburgh Steamship Co., a U.S. Steel subsidiary, started operations last year.

Ability of lake freighters to reach record iron ore transport in 1942 was made possible by the unusually long season, and diversion of tonnage from carrying grain to carrying iron ore. As a result grain tonnage is expected to be under the 1941 total. The last two seasons, Canadian vessels have been permitted to operate between all ports regardless of the international boundary. Vessels have been loaded more heavily and the practice of unloading ore boats on Sundays adopted.

New Books

Look Back to the Future

COMMERCIAL POLICY IN THE INTERWAR PERIOD: International Proposal For National Policy. A League of Nations publication. Price $1.75.

This pamphlet constitutes a part of a general programme of studies devoted to problems likely to prove important in connection with the formulation, now or later, of economic policies for the postwar world.

Its purpose is to compare the commercial policies to suit the interwar period with the recommendation made or the action agreed upon by conferences and other international authorities, consider the reason for the great discrepancy between the policies proposed and those actually pursued, and, in general, account for the success or failure of the recommendations made. Finally, it has drawn from this twenty years of experience, lessons which it is hoped may be of value to the future.

The authors conclude that the chances of getting generally adopted commercial policy which is designed to promote rather than restrict international relations, may be jeopardized in the first three months of peace if governments fail to agree in advance upon some orderly process for reviving the economic life of the world.

Income Tax Explained

YOUR INCOME TAX. Dominion of Canada. By A. R. McMichael chartered accountant. Published by The Musson Book Co. Toronto. Price $1.

Reduction of statutory exemptions to $660 and sharp increases in rates have made income tax a question of prime importance to practically every Canadian. New regulations have also affected the computation of the tax payable. The result has been a general demand for information. The 1943 edition of Mr. McMichael's book answers many of the questions puzzling taxpayers. In its 128 pages it tells what income is taxable, and what may be excluded, what may be deducted from income for expenses, depreciation, etc.; legitimate claims for exemption; how to compute the tax and changes in 1942 due to new rulings and amendments etc. The publishers have arranged with the author to send without cost any changes made before Jan., 1943, which may affect income taxes in 1942 income.

Ten Flying Stories

TEN FIGHTER BOYS. Edited by Wing Commander Athol Forbes, F.F.C. and Squadron Leader Hubert Olive, D.F.C. Published in Canada by Wm. Collins Sons & Co. (Canada) Ltd. Price $2.00.

This volume is made up of the fighting exploits of ten flyers in the R.A.F. They tell their stories in their own language and each chapter is an exciting tale of adventure and heroism in the skies.

The chapters were written by the men during their off hours at fighting stations, and while this writing venture was under way, three of the original contributors were killed in action.

There is nothing slick or professional about the presentation of the book. The stories are told by flyers in their own language and what the volume lacks in deft prose is amply made up in its realism and authenticity.

Your Investments

Massey-Harris

Does there seem to be any near-term chance of a dividend on Massey-Harris common? I would also like an indication of the company's general position.

While the capital reorganization of Massey-Harris Co. in 1941 removed some of the obstacles toward a dividend on the common stock, it would probably be unduly optimistic to expect payments to be started in the near future. The company is paying regular dividends on its new preferred stock. Holders of the old common shares got one new common share for each two shares then held. No information is available as to what earnings of Massey-Harris Co. in the year ended Nov. 30 last may have been, although it seems likely that the company's total manufacturing activity set an all-time record.

Farm implement production in 1943 is going to be cut to around 25% of the volume of 1940 due to limitations on materials permitted. The company has substantial war contracts and volume from this source has apparently more than offset reduced output of farm implements in the year just closed and should certainly go a long way toward doing the same thing next year. Post-war outlook for this company is somewhat difficult to appraise due to the fact that it used to export approximately one third of its production of farm implements to other countries, chiefly South America and other parts of the British Empire. There will undoubtedly be a substantial immediate demand for new farm equipment to replace that which has been worn out during the period when new supplies were not available. This will apply to both Canada and United States as well as to other markets.

King Edward Hotel

A client of ours holds some King Edward Hotel 6% debenture stock. Could you advise if this has any value?

King Edward Hotel 6% general mortgage sinking fund debenture stock due May 1, 1936, ranks junior to the 7% refunding bonds due 1944. The money made available by sale of the King Edward Hotel property to the Metropolitan Life Insurance Co. is sufficient for a payment of only 30 cents on the dollar on the 7% bonds. Securities junior to this issue are therefore valueless.

Brewing Corp. of America, in which Canadian Breweries has an unstated interest, earned $4.85 a share in the year ended Sept. 30, 1942, compared with $4.31 a share in the preceding year. Net sales last year totalled $5.3 millions against $3.2 millions in 1941 and $2.9 millions in 1940.

Mansfield Theatre Co. shareholders have voted approval of the plan whereby ownership of Loew's Theatre, Montreal, passes to Famous Players Canadian Corp.

PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT Mortgage Corporation

Head Office, 320 Bay St., Toronto

Assets Exceed $66,000,000.

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Owning directly or through subsidiary companies, mills at

Beaupre, Que. Iroquois Falls, Ont.
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Groundwood Pulp News Sulphite Pulp

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There's a very simple reason why more than 600,000 Canadian families look to The Star Weekly for first-hand information about the war: because they get *eye-witness* reports from writers they *know*, understand and trust.

Dad says: "Our Fred Griffin tells all about Dieppe in the paper this week". Mother replies: "Yes, and Matt Halton's getting the inside news in Egypt".

This warm, personal touch that makes the war a real life-and-death struggle to some two and a quarter million Canadians is the same quality which has built The Star Weekly into Canada's most successful publication. Cooking news comes direct from Jean Brodie. Greg. Clark and Jimmie Frise cut capers for millions of smiling followers. There's a "personal" appeal which builds high readership through every section of The Star Weekly.

Advertisers benefit by The Star Weekly's homey flavour. Their messages appear in a medium as familiar in Canadian homes as the living room rug. And it reaches Canada's BIGGEST reading audience at Canada's lowest milline rate.

The STAR WEEKLY

'WAY OUT IN FRONT and STILL GROWING STRONG!

Published at 80 KING STREET WEST, Toronto, Canada

Montreal Advertising Office: University Tower - - - United States Representatives: Ward-Griffith Inc.

Insurance Minus the Frills

Canadian Institutions Achieve a "16% Simplification"

By DONALD G. MACLEAN

To handle increased business with a staff which has lost some of its most experienced workers, Canadian insurance companies have made rigorous inroads on office routine, "frozen" the types of policies offered, combined some departments and eliminated others, and have thus been able to handle their greater burden without serious loss in the services provided to policyholders.

To meet the problem of a steady decline in experienced help, life insurance companies in Canada have intensified measures to reduce office routine. Procedure among the companies has varied considerably in detail, but the general policy to save time and labor has been the same.

While actual figures of what has been accomplished are not available The Financial Post estimates that in the last three years a saving of about 16% in work hours has been achieved. This has been done by eliminating certain operations, simplifying and combining others. Over 200 separate operations have been affected. Increased use of the machinery available and more effective use of available staff have been factors in meeting the staff problem.

These efforts have not necessarily been reflected in reduction in actual numbers of staff. Company executives point out that sometimes it may take two or three inexperienced clerks just out of high school or business college to do the work formerly handled by one well trained clerk. Thus while there has been an overall decrease of about 7% in the numbers of men and women employed, including agents, the administrative staff has remained practically stationary at a little over 11,000. But its character has changed. In addition to a larger proportion of young, inexperienced help, more women are employed. It is estimated that the number of men on the company staffs has decreased 22% in the last three years, the number of women has increased 20%.

An example of what has been accomplished is one company with head office staff at the beginning of the war of around 380. This company estimates that since the war began, without taking increase in business into consideration, it has made a saving of approximately 350 work hours a day in its office routine. This means that although its business in force has increased by about $50 millions during the period, the routine work in the office has been reduced by an amount equal to the work of a staff of 50 at an average working day of seven hours.

Another company with a somewhat larger volume of business reports a reduction in its staff at head office and Canadian branch offices of about the same proportion.

Here are some of the more important things that have been done by companies to save work hours.

Elimination of Work

Discontinuance of many form letters to policyholders, such as conservation letters, second and third premium notices.

Combining policy loan and automatic premium loan departments.

Reducing the frequency of reports and accounts required by head office from branch offices. Daily reports have given way to semi-weekly or weekly, according to the size of the office.

Discontinuance of branch office postage records.

Reduction in the number of branch offices.

Simplification of banking routine with a tendency among some companies to close branch office accounts, have branches deposit locally for head office accounts and draw on head office for funds required.

Curtailment of advice to representatives of premiums falling due or overdue. These advices were formerly sent for collection purposes.

Curtailment of branch office audits.

Discontinuance of special mortality investigations. These investigations are a necessary preliminary to introducing new types of policies; discontinuance indicates that the type of policy has been "frozen."

Discontinuance, as far as possible, of special quotations for new business. This is expected to result in saving much time of actuaries and underwriting departments.

Discontinuance of changes in policy contracts already issued until such changes were proved to be essential due to change of age and other causes.

Curtailment of investment research work, also statistical and personal instruction work.

Discontinuance or reduction in cafeteria services.

Suspension of company publications, such as staff bulletins.

Suspension of special personnel records, punctuality and error tabulations, etc.

Discontinuance of special policy plans and quotations of rates for special policies.

Decision to introduce no new insurance plans and withdraw some of the less popular existing policies.

Simplification of Work

Along with the elimination of these "frills," a considerable simplification has been effected in office routine.

Instead of making complete new policy cards when old ones are filled, the ledger part of a new card is cut off and attached to the old card. This operation in one company, it is estimated, eliminated the typing of approximately 12,000 cards a year.

Five accounting forms used by foreign branches have been combined into two composite forms.

Examination and endorsation of policies for loans is being carried on in branch offices instead of head offices.

Policy loan and automatic premium loan accounts have been combined to the point where one ledger account only is maintained.

Branch office business and expense analysis has been simplified; application and policy forms have been frozen.

Certain payments in branches are being made in cash rather than by voucher cheque.

Loan interest receipts have been combined with premium receipts, and many companies now pay salaries once a month instead of twice a month.

When new machines were available, they were widely installed to relieve the manpower shortage. Dictaphones were installed to replace stenographers; punchcard tabulating machines took on new jobs in accounting, recording contracts and deposits, and a wide range of other statistical information.

When machines became scarce, one large company improvised its own machines, which are stated to have been working satisfactorily, but this is an exception. By and large, the insurance companies have had to work machines two shifts, employing night operators, and cut down on the total volume of work to be handled as outlined above.

Conserving Manpower

Meanwhile, every effort has been made to make the most of the manpower available. Training of new employees has been speeded up. Female employees have been kept on after marriage, and employees who had left at marriage have been re-employed.

Male workers have stayed on past their retirement age, and departments have been combined to cut waste time to a minimum. Saturday closings have been discontinued, mail pick-ups have been reduced and winter hours have been extended to apply the year round.

As already indicated, the full extent of the savings effected cannot be accurately measured, partly because the insurance companies are reluctant to use precious manpower in making the measurement. But here are a few samples of individual reductions:

Discontinuance of change of age cards in one company has saved 144 days work of a skilled machine operator.

Cutting wage payments to once a month has saved one company approximately three months' work of an experienced clerk.

Elimination of attendance records has saved one company 96 days of a clerk's time yearly.

Simplified practice on Hollerith punch cards has saved 50 days work a year for one card punch clerk.

Dictaphones freed seven stenographers for one company.

Year round saving of four clerks' time was effected by eliminating duplication in policy details.

Readjustment of work hours and ending of Saturday closing have given one company an increased work time equivalent to adding 50 year round employees.

As pointed out previously, these savings have not resulted in any substantial reduction in the total numbers employed. What has occurred is that with approximately the same size of staff, the insurance companies have been able to handle some 16% more business than formerly.

On this basis, The Post estimates that the saving in working time—per unit of business—must be at least equal to 16%, and is probably higher when allowance is made for the substantial replacement of trained and experienced help by less experienced workers.

The Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets - $3,310,837.04
Surplus - - - - 1,735,148.47
— Write for Financial Statement —
Free on Request, Our Second Booklet
"Farming Holds the Key"
Head Office: WAWANESA, Man.
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Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
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The Authority on Physical Values in Canada from Coast to Coast.
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CONTINENTAL LIFE
The Continental Life Insurance Company in its annual report for 1942, shows the results of a very busy year. Service to its clients, always a predominant feature of the Company's thorough planning, is again emphasized.
Consistent Progress
Business in force Dec. 31, 1942 $50,022,430
Efficient Service
Payments to Policyholders during 1942 $736,997
Sound Growth
Total Assets Dec. 31, 1942 $11,961,227
Equitable Provision
Policyholders' Reserves Dec. 31, 1942 $10,171,298
The Continental Life Insurance Company is a purely Canadian Company whose representatives are skilled in Life Insurance Service. Each manager and agent fully conversant with local and general conditions, is keeping step with the activity of the times. Measured by any standards, the essential functions of our business are being carried on most energetically and efficiently.
THE CONTINENTAL LIFE INSURANCE COMPANY
John W. Hobbs, President
Head Office TORONTO
Newton J. Lander, Vice-Pres. and Managing Director
Branches in principal cities across Canada.
FOUR SQUARE

Canada Has Record Net On International Trade

Canada's net favorable balance of international payments in 1941 was at record total levels but important differences are noted from prewar conditions.

The net current balance at Canada's credit in 1941 was $478 millions, according to Dominion Bureau of Statistics estimates. This compares with $144 millions for 1940 and $137 millions for 1939.

Sterling Credit Huge

Canada built up a huge credit with the sterling area in 1941 of $804 millions compared with $423 millions in 1940 and $163 millions in 1939. Principal factor contributing to this was the heavy British Government expenditure on war equipment, food and materials produced in Canada. Exports to the sterling area, including some pre-payments, totalled $1,098 millions in 1941 against $699 millions in 1940 and $436 millions in 1939. These figures include such items as equipment for the Canadian army in the United Kingdom.

Imports of merchandise from the sterling area increased only moderately, mostly from other parts of the Empire than the United Kingdom.

With the U. S. dollar area, Canada's debit balance rose from $26 millions in 1939 to $279 millions in 1940 and $326 millions in 1941. Practically all of this rise took place in transactions with the United States, due to expansion of merchandise imports.

On capital account, Canada built up a heavy debit balance with the sterling area in 1941, since settled by a $700 millions Canadian government loan to Great Britain and by repatriation of Dominion and Canadian National Railway securities formerly held by British investors.

With the U. S. dollar area, however, Canada was able to secure a large credit balance on capital account. Largest sources of this credit balance was sale of Canadian securities to the United States, liquidation by Canadians of holdings of U. S. securities and prepayments and capital advances in connection with the Hyde Park agreements of April, 1941. Canada covered a residual deficiency in her accounts with non-empire countries by a reduction of $142 millions in official reserves of gold and U. S. dollars.

A summary of Canada's estimated balance of international payments follows:

Canadian Balance of International Payments
(Preliminary Statement 1941)
(Millions of Canadian $)

	Credits	Debits	Net
A. Canada and All Countries:			
Current Account:			
Merchandise trade	1,732	1,264	+468
Non-monet. gold exp.	204	...	+204
Tourist expenditures .	108	21	+87
Interest and divids. .	60	296	—236
Freight and shipping	185	167	+18
Other transactions ...	166	229	—63
Totals—current acc. ..	2,455	1,977	+478
Capital movements ..	566	1,063	—497
Balancing item*	19	...	+19
	3,040	3,040	
B. Canada and Empire Countries:			
Current Account:			
Merchandise trade ...	1,098	279	+819
Tourist expenditures .	3	3	...
Int. and divids.	5	69	—64
Freight and shipping.	119	36	+83
Other transactions ...	96	130	—34
Total—Current U. K.	1,093	360	+733
Other Empire	228	157	+71
All Empire	1,321	517	+804
Capital movements ..	181	990	—809
Balancing item*	5	...	+5
	1,507	1,507	
C. Canada and Non-Empire Countries:			
Current Account:			
Merchandise trade ...	634	985	—351
Non-monet. gold exp.	204	...	+204
Tourist expenditures .	105	18	+87
Int. and divids.	55	227	—172
Freight and shipping ..	66	131	—65
Other transactions ...	70	99	—29
Totals current—U. S.	1,042	1,372	—330
Foreign	92	88	+4
All Non-Empire	1,134	1,460	—326
Capital movements ...	385	73	+312
Balancing item*	14	...	+14
	1,533	1,533	

*This balance item reflects possible errors and the omission of certain factors which cannot be measured statistically.

Shawinigan Boosts Sinking Fund Rate

Adds $2,060,000 to 1942 Basic Rate for Purchase of Bonds

From Our Own Correspondent

MONTREAL.—From moneys available from accrued depreciation, Shawinigan Water & Power Co. has increased last year's basic sinking fund payment on its bonds by $2,060,000.

Arrangements have been made for the trustee to purchase bonds for the sinking fund at the lowest price obtainable, but not exceeding the current redemption price of the various issues now outstanding.

This arrangement ends on April 1 after which the balance of funds remaining will be used by the trustee, as directed by the company, in the redemption by lot on Oct. 1 next of as many of the series F 4% bonds as may be necessary to exhaust such balances.

The call price of the series F bonds is 103% and accrued interest. The last published balance sheet showed $15,871,500 of these bonds outstanding.

Excelsior Life Wins Trophy In Advertising Competition

In the annual competition of the International Life Insurance Advertisers Association, the Excelsior Life Insurance Co. was awarded the sweepstakes plaque for the most outstanding advertising in 1942 in Group 2. This group comprised 28 Canadian and U. S. companies.

There are 138 companies in the association, arranged in four groups according to size: Group 1, under $75 millions ordinary insurance in force; Group 2, $75 millions to $150 millions; Group 3, $150 millions to $400 millions and Group 4, $400 millions or more.

Since 1936 the association has made 26 sweepstakes awards among the four groups, six going to Canadian companies. Four of the six have gone to the Excelsior Life, of which Morgan S. Crockford is sales promotion manager.

Canadian Awards

Canadian awards for advertising material submitted in 1942 are:

Group 1, **Northern Life**, for material for motivation of agents; newspaper advertising.

National Life, Sales Presentation Material.

Group 2, **Excelsior Life**, prestige and goodwill builders; publications to agents.

Group 3, **Dominion Life**, prospecting and pre-approach material.

Imperial Life, policyholders relations material; newspaper advertising.

Group 4, **Great West Life**, prestige and goodwill builders; newspaper advertising.

Mutual Life of Canada, newspaper advertising.

Look to Standardizing Municipal Accounting

An important step toward the standardization of municipal accounting and reporting procedure has been taken by the Dominion Bureau of Statistics through publication of two booklets, "Manual of Instructions" for uniform municipal reporting and "Municipal Accounting Terminology."

One of the most complicated problems of the Dominion-provincial conferences on municipal statistics has been that of the scheme of reporting revenues, expenditures and balance sheets. The two D. B. S. publications are the result of that need. At the same time, provision is made in the manual for a breakdown of municipal financial statistics and activities which will permit comparisons and consolidations to be made of financial statistics on a national scale, including the finances of Dominion, provincial and municipal governments.

Some modification will be required from the forms shown in the manual for different types and sizes of municipalities. However, simplifications and modifications can be made in line with the basic principles laid down for the preparation of the general statements.

With this in mind, it is the intention of the Finance Branch of D. B. S. to co-operate with municipal affairs officials of each of the provinces in designing forms and schedules for use by the different classes or types of municipalities. In this way both the local and provincial requirements for municipal financial statements will be adequately provided for, while at the same time, the principles of uniformity on a national basis, which is an all-important and essential factor towards improvement in municipal administration and in the field of public finance statistics, will be maintained.

Copies of the two publications are being made available to every municipality in the Dominion.

Big Increase Shown In Hail Insurance

According to a preliminary statement issued by the Canadian Hail Underwriters Association, total hail premiums in Alberta, Manitoba and Saskatchewan in 1942 were more than double those of 1941. The figures were $1,589,889 against $570,250. Losses were $1,013,617 in 1942 against $274,527 in 1941, the loss ratios being 64.89 in 1942 and 48.14 in 1941.

The increase in premiums is believed to have occurred largely in Saskatchewan where, once a good crop was indicated, farmers put on hail insurance in large volume. As indicated by the loss ratio, the loss due to hail was considerably larger than in the previous year.

Can. Fire Opens Seattle Office

Canadian Fire Insurance Co. and Canadian Indemnity Co. plan to open a branch office at Seattle, W., Feb. 1. Charles J. Ryan will be in charge.

The business in the State of Washington was formerly written through the general agency of Frank Burns Co., which continues to act as general agents for the territory of Alaska. Classes of insurance written in Washington include fire, auto, burglary and liability insurance.

The Canadian group has been writing business in the Pacific coast states since 1926, when they entered California. Head office for the United States is at Los Angeles, and there is a branch office at San Francisco.

Metropolitan Life Promotes Brady

George V. Brady has been promoted from assistant actuary and assistant manager to associate actuary and assistant general manager of the Canadian head office of the Metropolitan Life Insurance Co., in Ottawa.

Mr. Brady, after graduating from the College of the City of New York, joined the company in New York City in 1921. He was appointed an assistant actuary in 1928 and in 1930 came to Canada as assistant actuary and assistant manager of the Canadian head office. He is a past president of the Actuaries Club of Canada and a member of the Council of the Life Insurance Institute of Canada.

Property Damage Policy Announced

A new property damage policy giving broad coverage on dwellings, buildings and apartments has been announced by the Insurance Co. of North America to its agency force in Ontario and Quebec.

In addition to providing coverage for fire, lightning, wind, riot, malicious damage, explosion, smoke and impact by airplane or vehicle, the policy also covers for flood, water and snow damage and collapse due to structural weakness.

BRITISH AMERICA ASSURANCE COMPANY
FIRE • AUTOMOBILE
AVIATION • CASUALTY
MARINE
HEAD OFFICE • TORONTO • ESTABLISHED 1833

Automobile and General Casualty Insurance
Lumbermens Mutual Casualty Company
Fire and Allied Lines Written by Associated Companies
Agency Inquiries Invited
"THE SAFETY-MINDED COMPANY"

Talk about Fires—
The recent apparent epidemic of serious fires in Boston, St. John's, Barrie, Quebec, and Montreal, makes FIRE and FIRE HAZARDS seasonable topics of conversation. But conversation without action pays no losses. Fire the Ravager never sleeps — be sure you have adequate Fire Insurance Protection, in the—
UNION INSURANCE SOCIETY OF CANTON, LTD.
Head Office for Canada: Metropolitan Bldg., TORONTO
COLIN E. SWORD, Manager for Canada.

The SHIELD OF PROTECTION
DIRECTORS AND OFFICERS
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FIRE and WINDSTORM
The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON

Business Men are Seldom Glib Speechmakers

MAKING speeches is not the business of the business man. His chief characteristic is action, not words. What business does, speaks louder than what it says.

And what business does—the results it gets—comes to us today in a voice like thunder. Industry is giving us production in volume and at a speed which no nation of this size dreamed possible.

Figures of astronomical size and proven reliability have been published to show the tremendous growth in Canada's production of war materials. Records for 1942 show increases over 1941 of 200% in mechanized vehicles, 250% in aircraft, 275% in ships, 1000% in armoured units—and similar figures in ammunition, chemicals, food, clothing, construction.

Business men themselves, aren't talking about these accomplishments. But management, together with all the men and all the women whose loyalty and persistence make these things possible, is proceeding quietly and with determination to provide the tools of Victory.

THE BANK OF TORONTO
Incorporated 1855
12-43

BANQUE CANADIENNE NATIONALE 68th ANNUAL GENERAL MEETING

Comments on the Bank's operations by Mr. Charles St-Pierre, General Manager

Review of Canadian economic problems by Mr. Beaudry Leman, President

The 68th annual general meeting of the shareholders of the Banque Canadienne Nationale was held on Friday, January 8, at the head office of the Bank, Place d'Armes, Montreal.

After the usual formalities, the President called on the General Manager, Mr. Charles St.-Pierre, to read the annual report of the Board of Directors, as follows:

Net profits of $776,815 are approximately $34,500 lower than those of the previous year, whilst taxes were more than $84,000 higher.

Total deposits reached a new peak at $185,438,698, as against $153,397,158 a year ago. Deposits by the public not bearing interest, almost twelve and a half million dollars greater, amount to $50,238,767, and deposits by the public bearing interest, which show an increase of more than eight million dollars, stand at the record figure of $116,403,007. Dominion Government deposits gained $11,800,000, while Provincial Government deposits were lower.

On November 30, 1942, the notes of the Bank in circulation amounted to $3,001,652. They show a decrease of some $605,000, in comparison with the figures of the preceding year, in accordance with the provisions of the Bank Act which gradually contracts the issuance of chartered banks' notes. As of the first of January, 1943, the amount of the notes each bank is authorized to issue is limited to 45% of its paid-up capital.

Total assets of $203,628,799, an all-time high, increased by more than 32 million dollars during the past year. Cash assets of $34,551,381, against $27,952,468 twelve months ago, represent 18.10% of liabilities to the public. Quick assets have passed from $106,122,613 in 1941 to $140,786,543. This advance of more than 34½ million dollars has raised the ratio of quick assets to liabilities to the public from 66.80 to 73.74 per cent.

Current loans and discounts aggregate $48,442,989. This is a decrease of about 1½ million dollars, or 3.05%, whereas total loans and discounts of all banks, as at October 31 last had declined by 12.14%. War industries, being financed in an increasing measure by the State, have less recourse to the banks and undertakings catering to civilian requirements have had to curtail their operations on account of the restrictions placed on them.

The Bank's investments, consisting chiefly of high-grade short-term securities, stand at $102,878,177, in comparison with $74,712,664 on November 29, 1941. Bank resources which do not find employment in commercial loans are diverted to investments. The policy of cheap money has brought about a substantial decline in the yield of securities, as evidenced by the short-term advances the banks have made to the Federal Government, in the latter part of the year, at a rate of ¾ of 1% per annum.

Faced with the low rental value of money on Dominion loans, a rise in operating expenses and increased taxation, the Board of Directors deemed it advisable to cut down from 8 to 6 per cent the annual dividend rate, starting with the last quarter of the fiscal year. The Board acted in conformity with the policy generally adopted by the banks who were confronted with the same conditions. Profits were allocated as follows: $525,000 in dividends, as compared with $560,000 in 1941; $125,000 to the Province of Quebec, under 14 George V. chapter 3; $125,000 for depreciation of premises and $60,000 to the Staff Pension Fund. The balance at credit of Profit and Loss Account was $254,204, against $252,389 on November 29, 1941.

The chartered banks are co-operating with the State in the war effort. They make temporary advances to the Treasury; they receive subscriptions to the Victory Loans, distribute the securities and, when requested so to do, they extend to the public safe keeping facilities; they encourage thrift through the issuance of War Savings Certificates, and they lend their support to the various measures of control and regulation which are rendered necessary by the present circumstances. However, like other private undertakings, the banks are obliged to restrict their services as much as possible. With this end in view, agreements are being entered into in order to reduce unnecessary duplication of branches. The policy of curtailing superfluous offices will continue this year. The public must rest assured, however, that the contraction of banking services, both in urban and rural centres, will be the subject-matter of close scrutiny by banking authorities in order to minimize the inconvenience to clients.

In pursuance of such agreements, the Bank closed the following offices in the course of the past year: at 1036 Ontario Street East, 5901 Papineau Avenue, 4600 Notre-Dame Street West, 2496 Belanger Street East and 1042 Fleury Street, in the City of Montreal; at 7688 Edouard Boulevard, Ville La Salle; at Laval-des-Rapides, Buckingham, Notre-Dame le la Salette, Perron, St. Pascal and Ste. Helene (Kamouraska) in the Province of Quebec; and at Maxville and Apple Hill, Ontario.

It is for us a pleasant duty to acknowledge that, in the course of last year, the members of the staff have discharged their duties conscientiously and have endeavoured, often under arduous conditions, to serve as best they could the Bank and its clients.

THE PRESIDENT'S ADDRESS

Gentlemen,

In moving the adoption of the annual report of the Bank, which Mr. Charles St.-Pierre, General Manager, has just read, I should like to add a few remarks on business conditions.

AGRICULTURAL PRODUCTION

Agricultural production in Canada has been more bounteous than ever during the year which has just come to a close. The Dominion Bureau of Statistics places a gross value of eleven hundred and eighty millions of dollars on the field crops of 1942. This estimate would represent an increase of 73% over the figures of last year and has never been exceeded, save in 1920 when foodstuffs commanded abnormally high prices. The crops of wheat, oats and barley have established records in quantity, which is all the more remarkable as this was due to the increase in the yield per acre.

Canada, which had a carry-over of some 400 million bushels of wheat last year garnered last autumn some 600 million bushels, whilst the United States had a crop of nine hundred and eighty million bushels. When account is taken of the crops of Australia and Argentina, the total production from these four countries will have added nearly two thousand millions bushels to the carry-over of one thousand million bushels. It is gratifying to think that there are available ample stocks of breadstuffs to feed a hungry world.

The growing demand for Canadian foodstuffs due to war conditions and to the blockade of the products of many competing countries, has stimulated stock raising and dairying, whilst steadying the prices of these products. It is estimated that the income of the farmers, during the first nine months of 1942, will exceed 671 millions of dollars, as compared with 590 millions for the same period of 1941. This increase of 13.6% is exclusive of the bonuses and subsidies granted to various classes of producers. Some products of the farm, such as wheat, are somewhat slow in moving to market, whereas others such as meat, eggs, butter and cheese, are insufficient to meet the demand. Seeking to establish a better balance between supply and demand, the Federal Minister of Agriculture has prepared a programme of production which should more satisfactorily correspond to present requirements and which would result in a further improvement of the situation of the rural class.

INDUSTRIAL ACTIVITY

1942 has witnessed, in Canada, a year of record industrial activity. The production of hydro-electric energy has held throughout the year at the highest level in the history of this country. Governments and private companies have intensified, particularly in the Province of Quebec, the development of hydraulic resources, undertaken since the beginning of the war thereby considerably augmenting the motive power available in Quebec.

Mining operations generally have been on a larger scale than formerly, with the exception of gold and silver mining, the latter having had to subordinate their labor requirements to the needs of mines producing base metals indispensable to the pursuit of the war. The pressing need for base metals is bringing into production new ore bodies and fostering exploration and prospection. The Federal Government and the Province of Ontario have co-operated with private interests to open up and develop the iron deposits at Steep Rock Lake, wherefrom high-grade iron ore will be extracted, the initial output being estimated at one million tons a year. Refineries of non-ferrous metals such as copper, lead, zinc, aluminium and antimony are working at maximum capacity. The output of aluminium is more than five times greater than it was three years ago.

At the end of last year, disbursements for war purposes, including construction of new plants and requisitions for materials, exceeded six thousand million dollars. The production of armaments and munitions is now rated at about twenty-five hundred million dollars a year. Additionally, Canada has shipped to Great Britain and other United Nations, since the beginning of hostilities, foodstuffs, lumber, minerals and sundry products of a value of fifteen hundred million dollars. Naval construction which, before this war, occupied only a small number of workmen, now gives employment to over 50,000 men and women. Dependable estimates place at nine hundred million dollars the value of ships under construction or projected.

These various undertakings, stimulating activity in steel and other metallurgical plants, in the automobile industry, now devoting all its capacity to the manufacturing of vehicles for military purposes, and in many other branches of manufacturing, are making heavy calls on raw materials. Additionally, all the mills catering to the needs of the armed forces see their facilities taxed to the limit.

EMPLOYMENT

Employment, which had been on the up-grade since the beginning of the war, has made further progress during the past year. Chemicals, iron and steel, transportation, logging, smelting, electrical equipment cotton textiles, lumbering and food industries all show considerable increases in the employment of labour. Statistics disclose that the 13,200 reporting establishments had under employment on 1st October, 1,815,672 persons, to wit 1,403,353 men and 412,319 women, and that over 70% of the women were working in manufacturing industries. The number of women employed in factories has reached the high percentage of 22.7% of all wage earners.

WAR ECONOMY

The war expenses for the present fiscal year will probably sum up to about four thousand million dollars. These figures set out in bold relief the measure of our economic effort, but they also direct attention to the burden which weighs on a country of eleven and a half million people, a country which seeks to be, at one and the same time, a granary, an arsenal and a source of manpower for the armed forces.

Now if, as we are advised by some eminent statesmen, we must gird our loins to endure a war of attrition which may last a few years more, it is well to bear in mind the old proverb: "Slow and steady wins the race." To win the peace, following a war of attrition, it is necessary to hold reserves of manpower, capital, supplies, foodstuffs and raw materials. Influence in worldly affairs will pass from those countries which must seek assistance to those which will be capable of giving it.

Moreover, the power and strength of a belligerent country are closely related to the maintenance of a sound balance between its war economy and its civilian economy. A disruption of the equilibrium between the two is apt to have serious consequences. An excessive, premature or misdirected war effort, that would throw out of balance the national economy, fulcrum on which rests our contribution to the war, would be harmful for the present. Furthermore, after the war, our country would be unable, if its economic condition is unsound, to shoulder the heavy responsibilities which will be thrust upon it.

THE HUMAN FACTOR

The shortage of manpower, which manifests itself more clearly every day, may be due, in a measure, to the absence of a general plan having in view the systematic allocation of the able-bodied population of this country respectively to military and economic requirements. Be that as it may, already the shortage of manpower is being seriously felt in branches of production as vital as agriculture, stock raising, forestry operations, collieries, and in certain mines whose output is indispensable to the pursuit of the war. Should we not profit by the experience of Great Britain where it has been found necessary to restore to their work some 50,000 coal miners who had been enlisted in the armed forces? One hears mention of vast migrations of laborers from one part of this country to another, but it would seem reasonable to proceed with caution in this regard and carefully to survey the situation before enforcing such measures. It would be worse than useless to fill up gaps by creating new ones.

All will remember the strictures passed on certain industries which had invited residents of rural districts to move into newly established urban centres, with the result that thousands of people suffered severe hardship at the first signs of depressed business conditions. Humans cannot be shifted without any more ado than if they were bales of merchandise. The first care of the controller of manpower in the United States, Mr. McNutt, appears to have been able to meet the needs of agriculture and to improve the lot of agricultural labour. The employment of thousands of women, drawn from the home, is likely to have serious repercussions, not only in the realm of economics, but on moral and social standards.

Manpower, raw, materials, machinery, fuel and motive power are not available in unlimited quantities, no more in Canada than in other countries. War industries must draw their labour, to a large extent, from enterprises who cater to the civilian population. No one will question the necessity of bearing the sacrifices rendered necessary by the present circumstances. Nevertheless, whether we have to face a long or a short war, it is imperative to cope with the essential requirements of the civilian population. It would seem to be a short-sighted policy to remove from enterprises of a permanent and stable character manpower which would have to be restored thereto a few months hence.

The Manchester Guardian recently gave a warning which should be heeded in Canada as well as in Great Britain. The conclusion of this article read as follows:

> "Wages and salaries might cease to be incentives to necessary work if the money earned could not confer enough real satisfaction. People with plenty of money and little to buy may burst through the controls and create a really large black market, or barter trade. Whether the danger becomes serious depends as much on the moral authority of Government as on purely financial precautions, but in both directions great care must be exercised."

TAXATION

The war budget of the present fiscal year will account for about 50% of the national income, as against a maximum of 10% in the course of any one year during the first world war. This parallel reveals the magnitude of the fiscal effort which the Government is asking this country to make. In the eyes of some economists the increase in the national income warrants the enormous growth of imports. But the rise in the national income is not uniformly apportioned, with the result that a large number of the salaried people and of the rentiers have witnessed a growth of their fixed charges, whilst their income remained stable, when it was not lower. The income tax in Canada appears to be heavier than it is in Great Britain, and undoubtedly is substantially higher than it is in the United States. In many cases income taxes cease to be a tax on revenue and become a levy on capital and savings. These levies not only cause a reduction in the purchasing power of civilians, which is proper and inevitable in war time, but make it well nigh impossible for the middle class to practise thrift and save something for a rainy day. Persons in receipt of a fixed income and those who had made commitments before taxation sought possession of a large share of their revenues are in a more or less serious predicament. Numerous industrial concerns, whose plant and machinery depreciate all the more rapidly that the demands upon their output is greater, are not able to retain, after payment of taxes, the amounts necessary to amortize their installations and provide for their modernization. When the war is over, how will our industrial establishments be able to cope with the demands made upon them for reconstruction abroad and for the maintenance of acceptable social standards in Canada, if these enterprises, big and small, are not in sound financial condition?

THE BUREAUCRATIC STATE

Many criticisms appear in speeches and articles, regarding the hold taken by bureaucracy on all forms of economic activity. The critics claim that the regimentation resulting therefrom may be put up with in war time but would become intolerable in peace time. Strange to say, these criticisms often originate from those who were in the forefront in pressing the Government to enact measures which were bound to bring about bureaucratic control. We have drifted imperceptibly toward a managed economy. The setting up of vast establishments such as the National Railways, the Quebec Liquor Commission, the Hydro-Electric Commission of Ontario, the Bank of Canada, the Toronto Transportation System, the Workmen's Compensation Commission, etc., etc., was considered, in each case, as an exception creating no precedent, thus blinding us to the fact that the State was extending its hold over the affairs of the country. We now realize that public ownership and operation are widespread and affect many branches of economic activity. The first world war had seriously undermined free enterprise and individual capitalism and it may well be that the present war will leave them seriously crippled. We can seek a measure of consolation in the thought that autocratic bureaucracy is neither an unmixed blessing nor an unmitigated evil. Its merits and demerits depend largely upon the men who exercise the power. The captains of industry and the magnates of finance may have to acquire the necessary qualifications to become efficient civil servants.

The omnipresence of the State finds numerous partisans, in all classes of society. The Beveridge report, which was made public last month, brings additional evidence of this trend. Sir William Beveridge, after a survey of the situation in Great Britain, brings forward recommendations in favor of a system of social security binding on all men, women and children in the British Isles, without regard to age, income or class. His plan embodies the distribution of benefits to the unemployed, to those suffering from industrial or non-industrial disability, to those entitled to old age pensions, to working women on the occasion of their marriage and to defray funeral expenses. The costs would be apportioned between the recipients of these benefits, the employers and the State. The British press, of all shades of opinion, has given the Beveridge report a favorable reception; it is now under study both in Canada and in the United States.

It will doubtless be necessary to extend, for a period whose length will be proportionate to the duration of the war, the controls, ceilings, rationing and other measures of regimentation. Were it otherwise, the purchasing power of the public, pent up through subscriptions to war loans, would be suddenly released. Price inflation would be set in motion, with the result that the evils of inflation, instead of having been prevented, would have been merely postponed. Many will recall that, at the time of the first world war, inflation became manifest principally after the armistice.

It may well be the part of wisdom to become reconciled to a bureaucratic regime for a number of years. The best one can expect is that the situation does not worsen. However, the Canadian people, who shunned the domination of either Germany or Japan, would not readily accept the philosophy and social standards of Communism. Far-seeing statesmanship will seek to avoid making a choice between the lesser of two evils and endeavour to steer clear of both.

THE POSTWAR PERIOD

Even though the present conflict should last for some time it would seem none too soon to begin the study of post-war problems. However well hidden may be the future, no one can doubt that, on the return of peace, hardships, misery, illness and depression will prevail in many countries of the world. Europe, who during many long years will have devoted to war purposes all its resources and all its productive capacity and who will have been visited by devastations unparalleled in history will be compelled to rebuild a great many of its towns and ports, to renew its railway lines and equipment and to replace its industrial plant and machinery. This programme will call for enormous quantities of foodstuffs and raw materials imported from abroad. The requirements will be no less pressing as regards part of Asia and of Africa.

Canada will be, with the United States, one of the countries capable of contributing to this colossal restoration. The war will have stimulated the production of raw materials and brought about the development of our equipment and the training of technicians and skilled workmen. Demobilization and the closing of war industries will make available thousands of workers of all categories. We will be able to place our resources at the service of countries impoverished by the war, insofar as our own country will be in sound financial condition. If our fiscal policy has been cautious and clear-sighted we may hope that the period of transition from war to peace will pass without serious dislocations. Our ability to overcome the difficulties which are bound to develop after the war will, in a large measure, determine the standing and the future of Canada in a new world.

Decline Shown In Note Issue

Reflecting lighter demand for cash as the Christmas trade subsided, note circulation of the Bank of Canada for the week ended Jan. 6 showed a decline of about $3 millions.

Total deposits were higher due to an increase in miscellaneous deposits including those of other governments or the Bank of England.

On the credit side, investments declined $17 millions, the drop being mainly in short-term issues, probably sold as chartered banks withdrew deposits.

	Jan. 6 1943 $	Dec. 30 1942 $
Liabilities:		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	689,865,619	692,843,686
Rest fund	5,585,705	5,585,705
Deposits: Dom.	33,834,954	42,866,509
Banks	227,913,728	246,144,837
Other	52,105,007	22,055,263
Total deposits	313,853,689	311,066,609
All other	14,083,315	38,101,165
Total liabs.	1,028,388,528	1,052,597,145
Assets:		
In Sterling & U.S.	499,192	500,907
Subsid. coin	61,253	80,522
Advances	1,250,000	1,750,000
Investments:		
Dom. gov. sh.	794,178,535	809,376,067
Other Dom. gov.	207,591,942	209,423,382
Total invest.	1,001,770,477	1,018,799,449
Premises	2,110,402	2,231,964
All other assets	22,697,204	29,254,303
Total assets	1,028,388,528	1,052,597,145

How Third Victory Loan Affected Bank Deposits

Comparison of Returns as at End of October and End of November Indicates General Trend of War Bond Investments

How savings and demand deposits of the different chartered banks were affected by the Third Victory Loan is indicated in the following table, which shows public deposits in each class at the end of October and at the end of November:

Savings Deposits in Canada
Millions of $

	—1942— Nov. 30	Oct. 31	Decrease
Montreal	401.3	421.4	20.1
Nova Scotia	146.0	157.0	11.0
Toronto	89.4	93.6	4.2
Provincial	44.2	45.8	1.6
Commerce	320.0	335.2	15.2
Royal	339.3	357.7	18.4
Dominion	79.7	81.9	2.2
Nationale	111.7	111.9	.2
Imperial	91.7	97.9	6.2
Barclays	6.0	6.2	.2
	1,629.4	1,708.7	79.3

Demand Deposits in Canada
Millions of $

	—1942— Nov. 30	Oct. 31	Decrease
Montreal	354.7	427.0	72.3
Nova Scotia	91.1	98.9	7.8
Toronto	65.1	72.6	7.5
Provincial	16.8	17.0	.2
Commerce	274.3	309.1	34.8
Royal	396.5	452.5	56.0
Dominion	70.0	81.5	11.5
Nationale	54.4	60.6	6.2
Imperial	73.8	83.3	9.5
Barclays	5.6	6.5	.9
	1,402.4	1,609.0	206.7

The period of the loan was partly in October and partly in November, while bank returns cover calendar months. Besides this, these returns are influenced by other business factors. Thus, it's impossible to figure participation in the loan accurately from the changes they reveal, although they do show the general trend.

The drop was proportionately greater in demand deposits than in savings. As demand deposits usually represent money used by companies in their business, the drop in these indicates the heavy company investments in the loan.

Demand Deposits

Where firms are working on civilian as well as war orders, there is a constant tendency for their civilian operations and inventories to shrink. Thus less capital is required for financing. Even if war work increases, the slack is not taken up, as in many cases such work is financed by the government. In addition, private concerns, while writing off stated amounts for depreciation, are unable to go ahead with the replacements of machinery and erection of new buildings, as they would in normal times. Hence the accumulation of demand deposits, and the heavy investments in Victory bonds.

Unfair to Judge

Bankers state that it would be very unfair to compare the drop in deposits in one bank with that in another as reflecting actual interest in the loan. For instance, one bank might have a few very wealthy depositors, able to invest many thousands of dollars, which would swell the aggregate materially. Another bank might have many small depositors, who would be able to invest only small amounts.

The few large accounts would show a big aggregate investment, while the numerous small accounts, despite many small investments, would make a far less impressive showing.

Your Wartime Business

To aid its subscribers in dealing with the numerous and complex problems created by wartime regulations, The Financial Post offers this new service. Its purpose, to provide as rapidly as possible the answers to specific business problems. As with its other enquiry departments, The Post reserves the right to refrain from answering questions on which the rulings are not clear, or questions whose answers depend on forecasts of coming events or are matters of individual business judgment. In these cases, we will endeavor to present the relevant facts on which the enquirer can base his own decisions. Address queries to the Wartime Business Editor, Financial Post, 210 Dundas St. W., Toronto.

Milk Bonus

I am a milk dealer and have not been able to get the proper forms for the new two cent milk subsidy.

Milk subsidy forms have been printed and are being distributed through the banks. Your bank should be able to supply you within a few days.

War Minerals

On a farm I own, I have found what I believe to be a strategic war mineral. What should I do?

The first step is to secure an analysis, either from the Department of Mines of your own province or the Dominion Bureau of Mines, Ottawa. If this bears out your belief you could then get in touch with the Metals Advisory Committee, 350 Bay St., Toronto, or the Metals Controller, Department of Munitions and Supply, Ottawa.

Rent Problem

I am moving from a house I own myself into an apartment. How do I go about finding what rent I may charge when I rent the house?

Best procedure is to get in touch with a local real estate agent and find out what similar houses in the same locality are renting for. You then file a form with the rent administration office, stating what you propose to charge and giving such details as number and size of rooms, condition, etc. This is investigated, then the form you have filed goes to the local rentals committee, which may allow or disallow the rate of rent you are asking.

Rent and Taxes

There has been a big jump in the taxes and water rates I am obliged to pay on a property of which I am landlord. Can I increase the rent?

The rent regulations provide that one of the grounds on which an increase in rent is permissible is a "substantial" increase in taxes and water rates. However, for any increase you must make application to your local rentals committee, which will hold a hearing on the case. Your tenant is given the opportunity at such hearing to show cause why the application should not be granted.

Doctor's Tires

As a doctor, what do I have to do to obtain new tires?

When his tires are worn out, a general practitioner, who needs his car to make the rounds of his patients, may apply to a tire dealer and fill out a form for the tire rationing officer. He will be eligible for new tires unless he owns a second car on which the rubber is still good. In such a case, he would get no replacements until the tires on both cars were worn out. A specialist, whose practice is confined to his office and who does not call on patients, is not eligible for new tires.

Quebec's Primary Power Sales Advance 18.8%

Industrial Load Up 20.7% in October; Domestic Sales Higher, But Commercial Demand Off

From Our Own Correspondent

MONTREAL. — Primary sales of electrical energy in Quebec advanced 18.8% last October compared with the same month in 1941, according to returns of the Quebec Public Service Board.

A breakdown of these returns, which represent operations for the first full month since power restrictions went into effect, show industrial demand was up 20.7%. Domestic sales advanced 8.3%, but commercial sales were off 8.7% and those to municipalities declined 14.8%. Other gains recorded were 8.4% for transportation and 1.5% for municipal and street lighting.

Dollar revenues from the sale of electricity last October in Quebec totalled $6,461,551, of which $1,062,914 represented revenue from export sales of primary energy. For Oct., 1941, the utilities reported a revenue of $6,399,916, of which $1,009,816 came from export sales.

A summary of production sales follows:

SUMMARY OF OPERATIONS—KW.H.

	—October— 1942	1941	Change %
Total generation	1,764,989,224	1,738,046,219	+1.3
Total sales	1,643,902,690	1,624,234,510	+1.2
Primary sales in Quebec	1,214,913,495	1,021,926,855	+18.8
Export (primary)	405,924,108	397,333,714	+2.1
Secondary sales in Quebec	23,065,087	204,972,941	—88.75

PRIMARY ENERGY SOLD IN THE PROVINCE OF QUEBEC—KW.H.

Class of Service:	—October— 1942	1941	Change %
Domestic	29,406,131	27,156,510	+8.3
Commercial	24,081,080	26,382,971	—8.7
Industrial (2)	1,130,075,041	937,553,621	+20.7 (1)
Municipal and street lighting	12,532,485	12,330,567	+1.5
Transport	14,244,810	13,123,803	+8.4
Wholesale to municipalities	4,573,948	5,379,383	—14.8
Total	1,214,913,495	1,021,926,855	+18.8

REVENUES FROM SALES IN QUEBEC

	—October— 1942	1941	Change %
Domestic	$ 855,287	$ 801,836	+6.7
Commercial	659,082	707,127	—6.8
Industrial (primary and secondary)	3,600,533	3,576,661	+0.7 (1)
Municipal and street lighting	154,860	153,901	+0.6
Transport	103,405	103,195	+0.2
Wholesale to municipalities	35,470	47,380	—25.0
Total	$5,408,637	$5,390,100	+0.3

REVENUES FROM EXPORT SALES

	—October— 1942	1941	Change %
Primary energy	$1,062,914	$1,009,816	+5.2

(1) Increase in revenue is relatively low because some energy that was billed in Oct., 1941, was delivered in subsequent months.
(2) 30,707,498 kw.hrs. classified as secondary in 1941 are reported as primary in 1942.

HERBERT TAREYTON SMOKING MIXTURE

A superb mixture of the world's finest tobaccos . . . it's the best you can buy for your pipe.

PACKAGES, POUCHES AND ½ LB. TINS

T-442

THERE'S SOMETHING ABOUT IT YOU'LL LIKE

Views Are Varied On Earlier Closing

The example of Australia in closing its bank branches at 2 p.m. instead of 3 p.m., to conserve manpower, is not likely to be followed in Canada, at present although the matter is under consideration, according to bankers interviewed by The Financial Post. While some favor such a move, others are opposed.

These state that earlier closing would cause inconvenience to the public without compensating advantage to the staff. The volume of work to be done after public banking hours would not be diminished, while the pressure during public banking hours would be increased.

IT'S ALWAYS YOUR TURN TO WRITE

It's regular news from home that the boys on active service really appreciate. Write every week. Tell them about the family—what the friends and neighbours are doing—all the local news. Keep your letters cheerful and full of optimism. Tell them about the money you are saving—the War Savings Certificates and Victory Bonds you are buying—of the plans for the future when they come home.

• Tell them of a Savings Account in the Bank of Nova Scotia which will provide for the readjustment into normal civilian life, for the comforts and pleasures of a world at peace.

Service overseas is provided through our London, England, Branch at 108 Old Broad St., E.C.2. Money may be cabled through any Branch.

The BANK of NOVA SCOTIA

Established 1832 — Over a Century of Service

FORWARD AND BACK

The month of January takes its name from the Roman God "Janus" who was always represented as looking two ways—forward and back.

Hence, from very early times, the first month of the year has been regarded as an appropriate time for reviewing the past and planning the future. In no field of activity is this more important than in matters relating to your Will. For instance:

Have you thought of how the new Dominion Succession Duty, on top of the Provincial Duty, and the increased Income Tax will affect your beneficiaries?

Make it a point to review your Will every January and give careful consideration to changed circumstances. Consider, too, the qualifications of your Executor. The addition of a simple codicil is all that is necessary to secure the administrative services of The Royal Trust Company.

REVIEW YOUR WILL EVERY JANUARY

THE ROYAL TRUST COMPANY

4098/K

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

STOCKS TRADED THIS WEEK

WEEK ENDING JANUARY 11

Range 1942-43 High	Low	Div. Jan. 9 R'te $	Y'ld %		Sales	Last Jan. 4	Week end. Jan. 11 H	L	Cl'se
				A					
.85	.40	•	...	Abitibi	1130	.65	.85	.60	.85
7	3½	•	...	Do. pref. 6%	1895	5½	6	5	6
25	13	•	...	Do. pref. 7%	25	14¾	14½	14½	14½
4	3	.	...	Acme Glove, c.	75	4	4	4	4
13	11	.80+.20	9	Agnew Surp. c	25	11	11½	11½	11½
2½	2	.	...	Alta. Pac. Gr.	125	2½	2½	2	2
52	21½	.	...	Do. pref.	508	50	52	48½	52
9½	7½	.	...	Algoma Steel, c	40	9½	9½	9½	9½
110	80	8+2	9.3	Aluminium, c	843	107½	108	105½	108
24½	16	1.40	6.1	Asbestos	2324	21½	24½	21¾	24½
18½	13½	1.25	...	Assoc. Brew. c	100	15	15½	15½	15½
				B					
150	115	6	4.6	Bk. Can. Nat.	22	128	129	128	128
189	124¾	6	4.1	Bk. Montreal	28	143	147	147	147
275	212	10	4.4	Bk. N. Scotia	20	223	227	225	225
255	200	10	4.3	Bk. Toronto	23	228	230	230	230
14½	10¾	1+.50	10½	Bathurst Pr.	1130	13¾	14½	14	14½
3½	1	.	...	Do. (B)	51	1½	3½	1½	1½
16	6½	.25	...	Beatty Bros.	116	15	16	14½	16
110½	76	7	6.4	Do. 2nd pref.	1	110	110	110	110
9¾	9½	.	...	Beauharnois	378	9¾	9¾	9¾	9¾
105	100	.	...	Beav. Lumber p	87	105	105	103½	103½
150½	123	8	5.5	Bell Telephone	345	140¾	145	141	145
7¾	6	.30+.10	6	Bertram & Sons	50	6½	6¾	6¾	6¾
7½	5	.60	8.9	Biltmore Hats	110	5	6¾	6½	6¾
32½	23	2.50	8.3	Blue Ribbon, p.	30	29	31	30	30
11	8	.	...	Blue Top Br. B	100	8	11	11	11
24½	20½	1.30	5.6	Brant. Cord, pf.	8	24½	23	23	23
15¾	6	1	6.5	Brazilian Tr.	22371	14½	15¾	14¾	15½
5¾	3¾	.50+.10	12	Brew & Distil.	43	5	5½	5	5½
18¾	13	1	5.6	Brit. Amer. Oil	3870	17½	18¾	17½	18
18½	12	.75	...	B. C. Packers	10	18½	17½	17½	17½
23¾	17	2	8.4	B. C. Power A.	250	23	23¾	23½	23¾
3	¾	.	...	Do. (B)	2003	2	3	1	2¾
6	4½	.40	6.7	Bruck S. Mills.	50	5½	6	6	6
15½	11	.70+.10	5	Building Prod.	1105	15½	15½	15	15½
				C					
9¾	8½	.80	8.2	Caldwell L 2 pf	30	9½	9¾	9¾	9¾
102	97	6	6	Calgary Pr. pf.	25	99	101	99¾	101
3½	1¾	.	...	Canada Bread c	475	3	3½	3	3½
6	5	.40	6.7	Canada Bud	125	6	6	6	6
5¾	3½	.	...	Canada Cement	1078	5¾	5½	5	5½
102	90	6.50	6.9	Do. pref.	190	95	95	94	94
20¾	13	1.15	...	C. & D. Sugar.	1295	18½	18¾	18½	18½
26	15	1.50	6.3	Can. Forg. (A).	210	24	24½	22	23¾
60	50	.	...	Can. Iron	1	55	60	60	60
90	80	6	6.7	Do. pref.	3	81½	90	90	90
38	32	2+50	6.7	Can. Malting	230	36	37	36½	37
7¾	4	.60	8.6	Can. Nor. Pr.	265	7½	7½	7	7½
88	73½	7	8.2	Do. pref.	1	85	85	85	85
87	74¾	4	5	Can. Packers	50	79½	80	79¾	80
130	110½	8	6.4	Can. Perman.	41	125½	125½	125	125½
9¾	5	.	...	Can. Steamsh's	3506	9	9¾	9	9½
32½	25½	2.50	7.8	Do. pref.	1549	31½	32½	31	31
7¾	4½	.40+.10	7½	Can. Vinegars	75	6½	6½	6½	6½
24¾	14	2	8.3	Can. W Cable B	22	21	24	21	24
108	104½	6.50	6	Do. pref.	45	107½	107½	107½	107½
2.50	.80	.	...	Can. Bakeries	45	2.50	2.50	2.50	2.50
67	48½	8.75	...	Do. pref.	120	65	67	66	67
134	115	6	4.6	Can. Bk. Com.	54	129	130½	129	130
1.45	1.00	.	...	Can. Breweries	4416	1.35	1.45	1.30	1.45
31	25½	3.40	12.1	Do. pref.	510	28	28½	27¾	28
33	27½	1.50+.50	6	Can. Bronze, c	110	33	33	32	33
7¾	4½	.50	6.7	Can. Canners	144	5½	7¾	6½	7¾
22	16	1+.20■	6	Do. 1st pfd.	503	19½	19½	19	19
11	8	.60+.20■	7½	Do. 2nd pfd.	192	10¾	11	10½	10½
9½	4¾	.	...	Can. Car & F'y	4780	7¾	9½	7½	9
29	21½	1.75	6.2	Do. pref.	2790	28½	28½	28	28½
28½	21½	1+1	7.2	Can. Celanese	760	27½	28½	27½	28½
135½	118¾	7+1.15■	6	Do. pref.	325	135	135½	134½	135½
18	15	2	11.4	Can. Convert.	75	18	18	17½	18
15½	9	.	...	Can. Dredge	106	15	15½	15	15½
26½	13	2	7.8	Can. For. Inv.	715	25½	25½	25½	25½
4½	3	.35	...	Can. Ind. Alc A	700	3¾	3¾	3¾	3¾
4½	2	.35	...	Do. (B)	70	3¾	3¾	3½	3¾
167	127½	5.75	...	Can. Indust. B.	80	148	148½	148	148
175	152	7	4.3	Do. pref.	5	161½	163	163	163
12	6½	.	...	Can. Locomo.	56	11½	11½	11	11½
.90	.45	.04	...	Can. Marconi*	415	.75	.90	.50	.90
8¾	5	.	...	Can. Pacific	23495	8½	8¾	8½	8¾
2	1	.	...	C. Pr & Pa In p	10	1½	2	2	2
105	100½	7	8.7	C. Tube & Stl p	70	105	102	102	102
4	2	.	...	Can. Vickers	515	3¾	4	3½	4
27½	20	.	...	Do. pref.	80	25	25½	25½	25½
42½	34½	2	5	Can. West'ho'se	43	39½	39¾	39¾	39¾
8½	5	.	...	Catelli Food, c.	75	8	8¾	8¾	8¾
.20	.05	.	...	Chem. Research	5400	.12	.12	.10½	.11
1.42	1.05	.12	...	Coast Brew.	800	1.15	1.15	1.10	1.15
9¾	5	.50	...	Cockshutt Plow	675	9½	9¾	9½	9¾
2.87	1.90	.15	...	Com. Alcohol c	210	2.75	2.50	2.50	2.50
10½	8½	.60	6	Cons. Bakeries.	4390	9¾	10	9½	10
7½	4½	.75	...	Cons. Div Sec p	6	6	6	6	6
3¾	1½	.	...	Cons. Paper	5171	3½	3½	3	3½
81½	72	3.50	...	Cons. Sand, pf.	100	80	80	80	80
39¾	32	1+1.50	6½	Cons. Smelt.	2359	37½	39¾	38	39
132	109	8	6.4	Consumers' Gas	86	124	124	123½	124
23	18	1.20+.15	6	Cosmos Imp.	2	22½	21	21	21
.70	.35	.	...	Cub Aircraft	200	.65	.70	.70	.70
				D, E					
7	5¾	.	...	de Havilland c.	10	5¾	6	6	6
27½	21	2.22	8.5	Distill-Seag. c.	500	26½	26½	26	26½
97½	90	5	5.2	Do. pref.	90	95¾	95¾	95¾	95¾
191	135	8	5.6	Dom. Bank	9	142	143	142½	143
27	20	1.20	4.4	Dom. Bridge	675	25½	27	24¾	27
15¾	9½	.	...	Dom. Coal, pf.	795	12	12¾	12½	12½
25	17	.	...	Dom. Engineer.*	100	25	25	25	25

[illegible]

Government Bonds

Jan. 13, 1943 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.	Approx. Yld.
2½	June '43	100¾	100¾	.40
5	Oct. '43	102½	103	1.17
3	June '44	100¾	101½	1.21
1½	Sept. '44	99¾	100½	1.31
2½	Jan. '44	100¾	100¾†	...
4½	Oct. '44	105½	105¾	1.45
2½	Nov. '44	101¾	102½	1.37
a2½	Aug. '45	100¾	101†	b.76
4	Oct. '45	101¾	102½	...
2	Mar. '45	100¾	101½	1.48
2	Dec. '46	100	100½	1.87
4½	Feb. '46	107½	107¾	1.90
2½	Mar. '48	99¾	100½	2.20
1¾	May '46	99½	100	1.75
3½	June '49	102¾	103½	b2.27
3½	Oct. '49	102½	103	b1.83
3½	Nov. '51	102	102½	b2.79
3½	Feb. '52	102½	103	42.82
a5	May '52	100½	100¾†	b
4	Oct. '52	106	106½	b2.55
■3	June '51	101	101½	2.90
3	Oct. '52	99¾	100¾	2.94
3	June '55	99½	100	3.00
■3	Nov. '56	99½	100	3.06
4½	Nov. '56	107½	107¾	b2.40
4½	Nov. '57	107¾	108¾	b2.64
a3	Mar. '54	100	100½	3.02
3	June '58	99½	99¾	3.02
4½	Nov. '58	108½	109	b2.82
4½	Nov. '59	109½	110	b2.89
a4	Oct. '60	108½	109†	b2.70
a3½	Jan. '61	101¾	102½†	3.02
3½	June '66	101¾	101¾	b3.08
a3e	Jan. '67	98	98½†	3.09
a3e	Nov. '68	98	98½†	3.09
†3	Perpet'l.	94¾	94¾	3.16
Dominion Guarant'd Bonds Can. Nat'l. Railways:				
2	Feb. '43	100	100½	...
2½	Jan. '46	100¾	101½	1.83
3	May '44	101¾	102½	1.39
3	Dec. '50	100	100½	2.82
3	Jan. '59	99	99¾	3.02
*4½	Sept. '51	121¾	122½	1.70
*4½	Feb. '56	123½	124½	2.33
4½	July '57	124	124¾	2.32
3	Feb. '53	99½	100	3.00
4¾	June '55	125	125¾	2.35
5	Feb. '54	117¾	118¾	2.99
*5e	July '69	119½	120½	...
*5e	Oct. '69	125½	126	b1.62
*5e	Feb. '70	125½	126	b1.74
Can. Nat. W. Ind. S. S.:				
5	Mar. '55	126½	127	2.42
Grand Trunk Pacific Rly.:				
3	Jan. '62	104	105	2.67
Provincial Gov't. Bonds New Brunswick:				
3	Oct. '51	95½	97½	3.33
3½	Aug. '49	97	99	3.42
3½	June '56	97½	99½	3.55
c4	Nov. '47	109½	111	b.41
c4½	Apr. '61	110½	113	3.53
c5	Jan. '60	113	115	3.82
Nova Scotia:				
3	Jan. '52	98	99¾	3.06
3½	June '56	99½	101	3.16
3½	Nov. '50	101½	102½	3.18
c4½	Sept. '52	112½	114½	...
c4½	Nov. '60	116	118	3.18
c5	Mar. '60	120½	122½	3.26
Ontario:				
2½	May '45	100	101	2.11
3	Apr. '48	100½	101½	b2.51
3	Nov. '50	99¾	100¾	b2.83
3½	Nov. '51	100¾	101½	b2.97
3½	May '55	100¾	101½	b3.07
*4	June '62	116	118	2.77
4½	June '50	109½	110½	2.95
*4½	Jan. '62	119½	121½	3.01
5	Oct. '48	110	111	2.91
*5	Dec. '60	128½	129½	2.90
5½	July '46	108½	109½	2.71
Ont. Hydro Commission:				
3	Aug. '48	100½	101½	b2.56
3½	Feb. '53	100¾	101¾	b2.97
3½	Apr. '47	103	104	2.50
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	99¾	100¾	2.83
3½	Mar. '48	100	100¾	3.09
3½	Mar. '59	99	100	3.50
4	Nov. '52	102½	103½	b3.34
3½	Feb. '55	100½	101½	b3.38
4½	Aug. '58	105¾	106¾	3.69
4½	Jan. '63	110	111	3.95
Alberta:				
4½	Oct. '56	73	76	d
4	Dec. '54	72	75	d
*5	Oct. '59	74	77	d
c5½	Apr. '52	75	78	d
6	Mar. '47	76	79	d
British Columbia:				
4	Dec. '57	109	...	...
*4½	Jan. '51	112½	...	...
c4½	Oct. '53	112½	...	...
c5	Apr. '54	116	...	...
5½	Feb. '45	103½	105½	2.78
6	Feb. '47	108½	110½	3.28
Manitoba:				
c4	Dec. '57	103	105	3.50
c4½	Dec. '56	107	...	...
*5	Dec. '59	109	...	...
5½	Oct. '55	109½	111½	4.23
6	Apr. '47	107	109	3.80
Saskatchewan:				
4	Sask. '54	87	89	5.27
4	Nov. '60	86½	88½	4.97
c4½	Oct. '51	95	...	...
c4½	Mar. '60	92	94	5.01
5	Aug. '58	93	95	5.47
5½	Oct. '52	98	100	5.50
6	Mar. '52	100	102	5.71

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ‡-Calculated at 1950 average maturity. ■-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

Jan. 12, 1943 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrial:	Bid.	Ask.
Acme Farm. pf.	60	..
Andian National	17	20
Anglo C. Tel., A	7½	8½
Atlas Steels, c.	19	22
M'row Screw p.	100	103½
Do., com.	14	16
Neilson, c.	11	..
Neilson Wm. p.	102	..

Insurance Stocks:	Bid.	Ask.
Confed. 30% pd.	125	130
Cons. Fire	31	..
Continental L.	31	34

[illegible]

Mining Stocks

Oil Stocks

Volume of Stock Sales

Corporation Bonds

Unlisted Mines

OIL ROYALTIES

Producing Wells — Prices and Payments

Drilling Wells — Prices and Depths

Supplementary Stock Quotations

STOCKS NOT TRADED THIS WEEK

MUNICIPAL BONDS

[illegible]

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

Dividend No. 224

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th January, 1943, and that the same will be payable at the Bank and its Branches on and after Monday, 1st February next, to shareholders of record at the close of business on the 31st December, 1942. The Transfer Books will not be closed.

By Order of the Board.

S. M. WEDD,
General Manager.

The Dominion Bank

Dividend No. 241

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1943. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the first day of February, 1943, to shareholders of record of the 15th January, 1943.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 10th December, 1942.

COCHENOUR WILLANS GOLD MINES, LIMITED

(No Personal Liability)

DIVIDEND NOTICE

INTERIM DIVIDEND NO. 7

NOTICE IS HEREBY GIVEN that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of Cochenour Willans Gold Mines, Limited (No Personal Liability) and will be paid on the 16th day of February, 1943, to shareholders of record at the close of business on the 25th day of January, 1943.

By Order of the Board.

G. M. HUYCKE,
Secretary.

Toronto, Ontario, January 11th, 1943.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 366

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 28th day of January, 1943, to shareholders of record at the close of business on the 14th day of January, 1943.

Dated the 7th day of January, 1943.

P. C. FINLAY,
Secretary.

Anglo-Canadian Telephone Company

Preferred Dividend Notice

NOTICE is hereby given that a dividend of One and Three-eighths per cent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the quarter ending January 31, 1943, payable February 1, 1943 to Stockholders of record at the close of business on January 15, 1943.

By Order of the Board,

CAMERON HOUGH,
Secretary.

Montreal, Que.,
January 8, 1943.

Dividends Declared

	This payment $	Date payable	Date of record
Anglo-Huronian	.10	Jan. 23	Jan. 8
Ault & Wiborg, p.	1.37½	Feb. 1	Jan. 15
Anglo-Can. Tele., p.	.68¾	Feb. 1	Jan. 15
Bathurst Pr. & P. A	.25	Mar. 1	Feb. 5
B. C. Packers	.75	Mar. 15	Feb. 27
Blue Ribbon pfd.	.62½	Feb. 1	Jan. 21
B. C. Tele., 2nd pf.	1.50	Feb. 1	Jan. 16
Caldwell Linen	.25	Feb. 1	Jan. 15
Do., 1st pref.	.38	Feb. 1	Jan. 15
Do., 2nd pref.	.20	Feb. 1	Jan 15
Calgary Power, pfd.	1.50	Feb. 1	Jan. 15
Can. Bronze	.37½	Feb. 1	Jan. 11
Do., extra	.50	Feb. 1	Jan. 11
Do., pref.	1.25	Feb. 1	Jan. 11
Can. & For. Sec.	.06	Feb. 1	Jan. 15
Can. South. Rly.	1.50	Feb. 1	Dec. 28
Canada Starch, pref.	3.50	Feb. 15	Feb. 8
Can. Bk. of Comm.	1.50	Feb. 1	Dec. 31
Can. Breweries, pf.	.85	Apr. 1	Feb. 27
Can. Converters	.50	Jan. 30	Dec. 28
Can. Celan. Inc. rts.	1	Mar. 15	Dec. 31
Can. Pac. Rly., pfd.	2%	Feb. 1	Jan. 1
Can. Nor. Pr.	▪.15	Jan. 25	Dec. 19
Canadian Oil, c.	.25	Feb. 15	Feb. 1
Cockshutt Plow	.25	June 1	May 15
Cochenour W.	.03	Feb. 16	Jan. 25
Distillers Seag. pf.	†1.25	Feb. 1	Jan. 15
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Fabrics	.20	Feb. 1	Jan. 18
Do., 1st pref.	.75	Feb. 1	Jan. 18
Do., 2nd pref.	.37½	Feb. 1	Jan. 18
Dome Mines	▪.40	Jan. 20	Dec. 31
Dom. Tar, pref.	1.37½	Feb. 1	Jan. 15
Eastern Steel	.25	Mar. 1	Feb. 15
Farmers' Tele.	.63	Jan. 30	Dec. 31
Foundation Co.	.35	Jan. 20	Dec. 31
General Trust, pfd.	1.25	Jan. 15	Dec. 31
Gordon & Belyea, A	2	Feb. 1	Jan. 21
Do., (B)	.40	Feb. 1	Jan. 21
Grandview Mines	.01	Feb. 1	Jan. 10
Guardian Realty, p.	.50	Jan. 15	Dec. 31
Hollinger Cons.	.05	Jan. 28	Jan. 14
Hydro-El Secs., B, p.	.25	Feb. 1	Jan. 15
Inter C. Baking	*1	Jan. 30	Jan. 20
Inter Nickel pref.	†1.75	Feb. 1	Jan. 2
Imperial Bank	2	Feb. 1	Dec. 31
Int. Metal, pf. A pfd.	1.50	Feb. 1	Jan. 15
Inter. Util., pr. pf.	†.87½	Feb. 1	Jan. 21
Lake Dufault	.02	Jan. 25	Jan. 6
Lamaque G.	.10	Feb. 1	Jan. 8
Melchers Dist. pfd.	.30	Feb. 15	Feb. 1
Mill C. Pete.	.03	Jan. 29	Jan. 8
Montreal Power	.38	Jan. 30	Dec. 31
Nor. Ont. Pwr.	.12	Jan. 25	Dec. 31
Do., pref.	1.50	Jan. 25	Dec. 31
Penmans	.75	Feb. 15	Feb. 5
Do., pref.	1.50	Feb. 1	Jan. 21
Power Corp.	▪.15	Feb. 1	Dec. 31
Quebec Power	.25	Feb. 25	Jan. 26
Rolland Paper	.15	Feb. 15	Feb. 5
Do., pref.	1.50	Mar. 1	Feb. 15
Shawinigan W. Pr.	.23	Feb. 25	Jan. 25
Sherwin Wms. ord.	.15	Feb. 1	Jan. 15
Silbak Premier	.04	Jan. 25	Jan. 5
South. Can. Pwr.	.20	Feb. 15	Jan. 20
Steel of Can.	.75	Feb. 1	Jan. 7
Do., pref	.75	Feb. 1	Jan. 7
Stuart Oil, pfd.	.20	Mar. 1	Feb. 15
St. Law. Flour	.35	Feb. 1	Jan. 20
Do., pref.	1.75	Feb. 1	Jan. 20
Teck-Hughes	▪.10	Feb. 1	Jan. 8
Toburn Gold	.01	Feb. 22	Jan. 22
United Corp. A	.38	Feb. 15	Jan. 15
Wood, A. J. pfd.	1.75	Feb. 1	Jan. 15
Weston Geo. pfd.	1.25	Feb. 1	Jan. 15
Zellers	.20	Feb. 1	Jan. 15
Do., bonus	.20	Feb. 1	Jan. 15
Do., pref.	.37½	Feb. 1	Jan. 15

†N. Y. funds. ▪Subject to approval of Foreign Exchange Control Board. *Bonus.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.10	$10.98	$9.10
Hogs	16.89	16.81	15.13
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2057	.2045	.1808
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat, Man. (bu.)	.90⅜	.90½	.74½
Coffee, lb.	*.09⅜	.09⅜	.09⅛
Hides	*.15½	.15½	.15½
Weekly Indices			
U. L. Labor	101.2	101.2	94.3
Dow Jones (fut.)	89.02	88.45	85.89
Wood, Gundy	79.0	79.0	75.9
Fishers	109.8	109.6	101.2
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)	118.8	118.6	115.8
W'sale (Nov.)	97.1	96.8	94.0
U. S. (Oct.)	100.0	99.6	92.4
Gt. Brit. (Sept.)	159.7	159.9	154.3

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper — electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

The Business Of Farming

By GORDON L. SMITH

In discussing current farm problems the other day an agricultural leader from the west pointed out that while these were difficult enough the real headache would come after the war. Then would arise the question of what to do with the surplus food plant we had created during the war. Since the outbreak of hostilities Canada has boosted her export of bacon and cheese by huge amounts and at the same time has steadily increased almost all other production of concentrated foods to take care of a booming domestic demand. Fortunately we can count on at least a year after the armistice for restocking the larders of Europe but after that, serious readjustment is considered as almost certain.

* * *

The British Market

Suppose Britain again turns to Holland and the Scandinavian countries for large supplies of bacon and dairy products, what happens to Canadian surplus production? It may mean pretty desperate cutthroat competition. Unfortunately, too, in the interest of greater fats, we have raised the weights of our bacon hogs, and have probably sacrificed some prewar quality. Before the war is over so great may be the demand for any sort of volume of fat, that we may be forced to overlook further deterioration in quality. This will not help us when and if we are forced into a position where we must fight for a market.

In the First Great War when the problem was not nearly as serious, because there was less interruption of world trade, less increasing of capacity, surpluses and surplus capacity generated was sufficient to bring about quick farm collapse within two years of the peace treaty. Moreover that treaty, by concentrating almost entirely on the political problems and ignoring economics, offered no help.

* * *

City Farmers Again

The other day Columnist Dorothy Thompson deplored the fact that so many New England farms had been bought by city people and thus were "put out of production." We are not as familiar with rural New England as we are with Canada, but we doubt if this back to the land movement in the United States has been any more detrimental to food production than it has been here. And here, as a matter of fact and on balance, it has not been detrimental at all.

No definite estimates are available but it is quite probable that these city-men-owned-farms are actually producing more foods than they were before. In a great many cases they are located close to cities where for some reason the average land has never been as well cultivated as farther out. Except for market garden areas, it usually lies completely idle waiting some estate purchaser or building lot subdivision.

* * *

Look After Soil

Most city men, when they turn farmers, are generous with fertilizer, cultivation and good seed and pride themselves on the raising of big crops and lots of livestock. Even if in so doing they fail to show a profit, at least they are contributing to the country's food supply. In a few cases, of course, they cease cultivation of hillsides and broken fields and reforest but here again they are probably only allowing land to revert to nature which never should have been broken. And this new bush they are creating, too, will probably have a beneficial effect on the whole countryside.

* * *

Are Not So Backward?

Canadian agriculture was described by an urban politician the other day as being "neglected and in unscientific condition." That is a rather sweeping accusation and it might be a hard one to prove.

It is perfectly true that there is room for improvement in Canadian agriculture, and probably also in every other large industry, but compared with farming in other countries is Canada so far behind? We have built up a record for some of the finest cheese, bacon, apples, wheat, eggs and butter. We have contributed some world-famous varieties of grains and fruit. Our dairy cows have established famous production records. Outside of pre-war Denmark, and that was not just as rosy as was generally pictured, it is doubtful whether one will find any more progressive agriculture than we have right here in Canada.

Slow Deliveries By Farmers Are Smoothing Farm Income

From Our Own Correspondent

WINNIPEG. — There is empty elevator space, amounting to approximately 30 million bushels in terminal elevators at the Head of the Lakes, filling of which would afford corresponding relief at country elevators and enable more grain to be delivered by farmers.

The railways, however, are providing few cars for lakehead shipment, evidently allotting their facilities for more urgent traffic. As soon as coal traffic begins to fall off towards the end of the winter, and when milder weather increases the tonnage capacity of freight trains, the railways will allow heavy loadings, sufficient to fill up empty space at the lakehead and provide a back-log of grain to refill them after the first heavy loadings of cargo vessels at the opening of navigation.

Such shipments, making possible the delivery of more grain by farmers, will mean the distribution of large amounts of money in the country at a season when farmers have previously, as a rule, not been receiving any great amount of grain income. This year's elevator congestion, slowing up grain deliveries as it has done, is spreading the farmers' grain income much more evenly throughout the year than has been the case in the past.

DIVIDEND NOTICES

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that a dividend of Fifteen Cents (15c) per share has been declared on the no par value Ordinary Stock of the Company, payable to shareholders of record the 15th day of January, 1943, and that cheques will be mailed on February 1, 1943.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.
December 17, 1942.

BRITISH COLUMBIA PACKERS LIMITED

NOTICE is hereby given that the Directors of British Columbia Packers Limited have declared a dividend of 75 cents per share, payable by cheque to be issued at Vancouver, on 15th March, 1943, to shareholders of record at the close of business on February 27th, 1943.

Shareholders holding certificates in "street" form are requested to surrender such certificates to the Company's transfer agents, The London & Western Trusts Company Limited at its office in Toronto or Vancouver, or the Chartered Trust and Executor Company at its office in Montreal, so that they may become registered as the owner of such shares on or before 27th February, 1943.

NOTICE is hereby also given that the Company's Register of Transfers maintained at the office of the London & Western Trusts Company Limited in the City of Vancouver, B.C., and the Company's branch Registers of Transfers maintained respectively at the office of The London & Western Trusts Company Limited in the City of Toronto and at the office of Chartered Trust and Executor Company in the City of Montreal will be closed from and including the 1st day of March to and including the 6th day of March, 1943.

DATED at Vancouver, B.C., this 23rd day of December, 1942.

By Order of the Board,

A. HAMILTON,
Secretary.

Toronto Stock Trading Low

Market Values of All Stocks Gain Over Previous Year End

Activity on the Toronto Stock Exchange in 1942 was at record low levels, the statistical summary published by the exchange indicates. In both volume of shares traded, number of transactions and aggregate value, sharp declines were experienced, the table shows. December, 1942, showed a better rate of activity, the 5.1 million shares traded last month being substantially above any previous month since Sept., 1941.

	Share volume millions of shares	Yearly value millions of dollars	No. of transactions yearly total
1942	38.8	58.3	141,662
1941	53.3	82.9	206,491
1940	74.9	132.5	312,226
1939	120.9	293.3	350,379
1938	212.2	444.4	831,334
1937	276.5	651.0	1,096,913
1936	450.8	699.3	1,280,436
1935	173.2	344.3	629,220
1934	341.3	414.6	948,547

Quoted market value of all listed stocks at Dec. 31 last was higher than at the previous year-end by a little over $100 millions. Industrials made a better showing than did mines. At $2,456.8 millions, aggregate value of all listed industrial stocks at Dec. 31, 1942, compared with $2,270.6 millions a year earlier and $2,445.2 millions for the end of 1940. Mining shares, on the other hand were valued at $1,252.8 millions compared with $1,330.3 million at the end of 1941 and $1,470.3 millions at the end of 1940, and were below any year since 1934.

As might be expected, more shares were traded in low priced mining issues than in the higher priced industrials or mines. The ten most active stocks for 1942 are all mines or oils.

10 Most Active Stocks in 1942

	Volume
Ontario nickel	5,682,900
British Dominion Oil	1,835,669
Steep Rock Iron Mines	1,258,983
Malartic Gold Fields	1,221,328
Kerr Addison Gold Mines	986,050
Pacalta Oils	777,500
Vermilalta Oils	720,160
East Malartic Mines	673,711
Naybob Gold Mines	668,550

10 Most Active Industrial and Senior Mines

	Volume
Canadian Pacific	194,797
Hollinger Consolidated	154,770
Imperial Oil	143,680
International Petroleum	95,103
Brazilian Traction	87,395
International Nickel	78,298
Dome Mines	77,396
Lake Shore Mines	73,507
Consolidated Paper	63,891
Massey-Harris common	63,661

Borrowings of Toronto Stock Exchange members as at the end of Dec., 1942, totalled $6.3 million, down $617,316 from Nov. 30 and some $2 millions lower than Dec., 1941. At the same time, quoted market value of all listed stocks as at Dec. 31, 1942, totalled $3,709.6 millions, an increase of $209.1 millions over Nov. 30. Ratio of borrowings to quoted market values amounted to .17 of 1% as compared with .20 of 1% at the end of November and .23 of 1% a year ago.

Sarnia Bridge To Reorganize

Plan to Eliminate Preferred Dividend Arrears Announced

From Our Own Correspondent

MONTREAL.—Sarnia Bridge Co. has issued a plan of reorganization. A special meeting of shareholders has been called for January 20 next.

The scheme provides for wiping out all arrears of dividends on the Class A stock, which now amount to $24 a share—exchange of the present Class A shares for one share of common stock and $1 cash dividend for each share outstanding—and exchange of the Class B shares on the basis of one share of new common stock for each three shares of Class B outstanding.

Provided the plan is approved, the presently outstanding 12,000 shares of Class A and 15,000 shares of Class B stock will be replaced with 17,000 shares of common stock.

In a letter to shareholders, R. M. Norton, president, points out that no dividends have been paid on the senior stock for 12 years. In the last few years, considerable recovery has been made by the company from the low of the depression years. Mr. Norton points out that on May 18 last the Board of Referees for Depressed Industries fixed the company's standard profit before taxation at $36.275. In view of the terms of the last budget, the company's net earnings cannot exceed $25,392 a year.

"This position will probably continue until the Income Tax and Excess Profits Tax Acts are amended, reducing rates, which it is suggested will not likely be during the existence of the present emergency, and possibly for some time thereafter. Without making any provision for capital expenditure under these conditions, it would only be possible in each year to pay the preferred dividends on the outstanding Class A stock for one year. As a result, although the company is enjoying a large volume of business, it will continue for the period indicated to be in arrears of dividends to the extent mentioned. The Commissioner of Income Tax has ruled that if the present surplus of the company is not capitalized, the Class A shareholders will be subject to tax only on the $1 cash which they will receive on the reorganization."

East Malartic Board Changes

J. P. Norrie Retires — Howey Representation Increased

Resignation of three of the seven directors of East Malartic Mines and appointment of three others to fill their places was announced this week by President A. J. Davis, who stated the resignations were "owing to a difference on a matter of policy."

J. P. Norrie, associated with the operation since its inception and general manager until Aug. 13, 1942, was one of those to resign. The others were C. O. Stee, Siscoe, Que., and W. G. Worden of Toronto.

Vacancies on the board have been filled by appointment of W. C. Cochrane, F. D. Reid and H. C. McCloskey. Mr. Reid is also a general manager of East Malartic and holds a similar position with Howey Gold Mines. H. C. McCloskey is also a director and secretary-treasurer of Howey Gold Mines.

Represent Stock Ownership

Howey Gold Mines, with three members on the reconstituted board of directors—R. T. Birks, F. D. Reid and H. C. McCloskey—reported its holdings in East Malartic increased to at least 500,000 shares at the last Howey annual meeting. The present increase in the representation on the board of directors reflects a further increase in East Malartic shareholdings, it is understood. The new board is so constituted that each individual director represents a substantial block of stock and it is stated that taken together they might well represent 50% of the total issued.

The new board of directors has not yet held a meeting, but it is anticipated that there will be one held shortly. Following this a statement may be forthcoming on future plans, it is stated. Quarterly progress reports are a possibility for the future.

Swift Canadian Profit Gains

Latest Figures Show General Strengthening in Assets

Swift Canadian Co., wholly owned subsidiary of Swift & Co., had a net profit for the year ended Oct. 31, 1942, of $930,868 which would compare with $106,994 for the previous year, both figures being taken from the annual report of the parent company in the United States.

Assets and liabilities of the Swift Canadian Co. which are consolidated in the parent company's report are represented by net current assets of $10.4 millions in 1942 statement compared with $8.5 millions in 1941. Fixed and other assets are valued at $6.7 millions against $6.5 millions. Earned surplus carried forward at the end of October last was $2.5 millions, compared with $1.5 millions a year earlier.

All figures are given after converting Canadian dollars to U. S. dollars at approximately the official rate of exchange.

Canadian Pacific Railway shares are in strong demand. White, Weld Co. and Shields Co., of New York, jointly made a specific offering of 60,000 common shares at 6¾, with a commission of 30 cents a share. The firms received subscriptions for 131,575 shares, which gave the transaction a record rating respecting the number of shares demanded in relation to the number available. The books were open only 15 minutes. This does not represent new financing.

U. S. Demand for Oats From Canada Slowed

Freezing of Corn Prices Across Border Checks Imports of Coarse Grains — Lull May be Only Temporary

From Our Own Correspondent

WINNIPEG. — Action of the United States Government at the beginning of the week in "freezing" corn prices checked the rise which had been in progress in feed grain prices, and caused a halt, which may be only temporary, in the demand from the United States for oats from western Canada.

Direct shipments of oats in carload quantities from western shipping points to mills in the central western states grew during last week to increasingly important proportions. Mills had begun to receive the first consignments, and are reported to be delighted with the quality of Canadian oats, plumper and heavier than those to which they are ordinarily accustomed.

Not only had carlots been ordered for immediate shipment, but mills in the south were beginning to contract largely in oats futures, by way of protecting expected future requirements, and as a result oats prices had shown a substantial rise.

Observers believe that at present prices, even with a further advance precluded, they represent an economical buy for manufacturers of feed, while there is no doubt about their attractiveness as raw material for oatmeal and rolled oats for human consumption.

It is believed that some of the oats going forward will be processed for shipment to Great Britain under lend lease arrangements.

Another interesting feature of the grain market has been the sale of considerable quantities of western wheat, mainly No. 3 Northern, for shipment to Mexico, via the all-rail route to Galveston.

More Trading Interest Seen In Grain Market

Coarse Grains Feature Activity Arising From Growing U. S. Demand For Canadian Feeds — May Affect Wheat

From Our Own Correspondent

WINNIPEG. — The market in coarse grains, particularly that in oats, continues to provide interest at Winnipeg. A trading interest, long absent from the market appears to be developing, in view of the fact that the Canadian grain appears cheap against prices in the United States.

The absence of such a trading interest was marked a number of weeks ago when it became necessary for the Canadian Wheat Board (or so it seemed to observers) to buy large quantities of oats, both cash grain and futures, in order to implement the government guarantee of a price level of 45 cents per bushel for No. 2 C. W. oats.

Deliveries Low

Now it would appear equally necessary for the Wheat Board to sell, and at a profit, the oats it previously acquired, in order to satisfy the demand from the United States, which has been for quantities in excess of the daily deliveries by farmers.

Farmers' deliveries, of course, would be greater if not restricted by delivery quotas and congested country elevators, and in portions of Alberta by the fact that they have not been able to complete threshing. Cold weather has not been allowed to interfere much with deliveries, which for wheat and coarse grains started off the year at the rate of two million bushels daily.

Markets in the United States continue strong, under combined influence of loan policies, which lessen the need of sales by farmers, and doubts as to how government price ceiling policies are to be made workable. A curious effect of the different policies pursued is shown in connection with wheat and flour. Millers are restricting their grindings and say they cannot continue to sell flour at ceiling prices and pay current prices for wheat. But such buying as is done is sufficient to put wheat to new highs, better than the equivalent of $1.50 per bushel in Canadian funds. The American price level for wheat has no direct effect on Canadian prices, but contributes indirectly to the strength in our coarse grains prices through its effect on feed grain prices in the United States.

Ontario Hydro Peak Load Up

In the meantime Hydro is proceeding with preliminary work leading to a start on actual construction. No further word is available as to any difficulties likely to be encountered in obtaining necessary priorities for materials and equipment needed, something which has to be arranged with Ottawa and Washington officials.

Ontario Hydro figures for peak load in November show a gain in primary load of more than 54,000 h.p. over the previous month. Compared with a year ago, the November figures are 134,574 h.p. higher for primary load peak. Practically all of this increase took place in the Niagara System. Eastern Ontario, Georgian Bay and Thunder Bay Systems show small declines in primary power peak while Northern Ontario properties are up 1.9%.

The fact that Hydro's primary power load is about 135,000 h.p. higher for November than for the same month a year ago, after savings estimated at 160,000 h.p., emphasizes the extent of the gains due to war needs. Details of November peak load follow:

Maximum 20-Min. Peak H.P. Primary Loads:	Nov., 1942	Nov., 1941	% Incr.
Niagara System	1,673,995	1,541,421	8.6
Eastern Ont.	182,677	182,820	—0.1
Georgian Bay	47,855	48,385	—1.1
Thunder Bay	106,340	107,252	—0.9
Northern Ont.	210,252	206,287	1.9
Total	2,221,119	2,086,165	6.5
Primary & Secondary Loads:			
Niagara System	1,736,729	1,676,542	3.6
Eastern Ont.	182,677	182,820	—0.1
Georgian Bay	47,855	48,385	—1.1
Thunder Bay	117,962	136,448	—13.5
Northern Ont.	275,131	262,051	5.0
Total	2,360,354	2,306,246	2.3

Cotton Mills Cut Operating Scale

From Our Own Correspondent

MONTREAL.—Cotton mill operations, as indicated by the number of bales opened, were lower last month than for any like month since the war started.

According to the Cotton Institute of Canada, 39,335 bales were opened in November. This contrasts with 41,695 a year ago and 39,643 and 43,200 bales in Nov., 1940 and 1939.

Higher Prices For Newsprint Are Discussed

Special Correspondence

WASHINGTON. — Canada's claims for an increase in the price of newsprint for the last three quarters of 1943 are under discussion here this week. Donald Gordon, chairman of the Wartime Prices and Trade Board, and Newsprint Co-ordinator R. L. Weldon, are talking this problem over with Office of Price Administration officials headed by Leon Henderson, retiring administrator.

Unofficially trade circles have anticipated a price increase of $5 a ton. Officially the Office of Price Administration has always opposed any price increase. Previously Canada has not formally advanced claims for increased prices. Now it is believed the Dominion seeks an increase effective in the second quarter of '43. There has been a tendency here to sidestep the price question pending the inauguration of the curtailment programme that is under way.

This was announced on New Year's Eve and supplemented this week by the establishment of production quotas for the entire paper industry as well as curtailment and limitation orders for commercial printers, book publishers, etc.

Further curtailment orders, WPB officials warned American publishers, must be expected shortly. The best estimate at the moment is from two to four months.

Arrange Meetings To Explain C.M.P.

The Canadian Manufacturers' Association is scheduling a series of meetings to explain the Modified Controlled Materials Plan of priorities, which is to be effective in Canada for the second quarter of this year.

These meetings, arranged at the request of the priorities branch of the Department of Munitions and Supply, will be held in Halifax, Montreal, Quebec City, Toronto, Windsor, Hamilton, Winnipeg, Regina, Calgary, Edmonton and Vancouver.

Wheat Prices

Winnipeg Grain Futures

Week of Jan. 11, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Jan. 11
		Wheat			
.94	.93	May	.93⅛	.93	.93
		Oats			
.51	.45⅝	May	.51	.49⅝	.50⅞
.50½	.47⅝	July	.50¼	.49⅝	.50⅜
		Barley			
.63½	.60¾	May	.63⅞	.63⅛	.63⅞
.63½	.63½	July	.63½	.63⅛	.63½
		Rye			
.66⅝	.56¼	May	.66¾	.66⅜	.66⅜
.66⅝	.55	July	.66⅝	.64⅝	.66⅝

Cash Quotations

	For Week Jan. 11 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	.90½	.90¼	.90½	.90¼
2 Nor.	.87⅛	.86¾	.87	.86⅞
3 Nor.	.83⅞	.83⅝	.83⅞	.83¾
4 Nor.	.81⅝	.81	.81¾	.81⅝
5 Wheat	.78¼	.78	.78¼	.78⅛
6 Wheat	.76¼	.76	.76¼	.76⅛
Feed	.75¼	.75⅛	.75⅛	.75⅛
Oats:				
2 C. W.	.49⅜	.47⅝	.47⅜	.46½
3 C. W.	.47⅜	.45¾	.45⅝	.44⅞
Barley:				
1 Feed	.59¼	.58⅛	.58⅛	.57⅞
2 Feed	.58⅜	.57⅞	.57⅛	.56⅞
Rye:				
2 C. W.	.68¼	.64⅝	.66⅛	.63¼

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Branches Throughout Canada

Average Grocer's Profit Shown at 1.69% of Sales

W.P.T.B. Survey of 139 Retail Grocers Finds Narrow Profit Margin General on 1941 Operations

Average net profit of an efficient Canadian grocer is in the neighborhood of 1.69% of his sales, according to a survey recently completed by the management service division of the Wartime Prices and Trade Board. This division studied 139 grocery stores in five Canadian provinces to arrive at its average figures, which are based on 1941 operations.

The survey showed average gross profit at 17.1% and average cost of doing business, or operating expenses, at 15.4%, leaving net profit margin of 1.69%. This low margin is made more noteworthy by the fact that the merchants who supplied the information used were selected because of their reputation for being reasonably efficient.

Summary of Operations

Location:	No. of Stores	Sales $	Cost of Sales $	Gross Profit $	Operating Expenses $	Net Profit $
Ontario	48	3,130,369	2,582,553	547,816	490,305	57,611
British Columbia	8	615,092	521,598	93,494	86,899	6,595
Alberta	46	2,935,059	2,441,969	493,090	427,589	65,501
Saskatchewan	6	1,038,439	858,789	179,650	173,483	6,167
Manitoba	3	235,783	194,521	41,262	40,327	935
Total interviewed	111	7,954,742	6,599,430	1,355,312	1,218,603	136,709
Audited statements	28	2,101,219	1,737,708	363,511	329,866	33,645
Total	139	10,055,961	8,337,148	1,718,823	1,548,469	170,354

1941 Summary as Per Cent of Total Sales

	Cost of Sales %	Gross Profit %	Operating Expenses %	Net Profit %
Ontario	82.5	17.5	15.6	1.84
British Columbia	84.8	15.2	14.1	1.07
Alberta	83.2	16.8	14.5	2.23
Saskatchewan	82.7	17.3	16.7	0.59
Manitoba	82.5	17.5	17.5	0.39
Total interviewed	82.9	17.1	15.3	1.72
Audited statements	82.7	17.3	15.7	1.59
Total	82.9	17.1	15.4	1.69

Costs 34 Cents To Raise $1,000

British Committee Spends £1.5 Millions to Encourage War Savings

Britain's National Savings Committee figures that it costs 34 cents in advertising to encourage $1,000 in war savings. This computation has been made to show the efficiency of government-paid advertising in achieving specific objectives.

Since 1939 the committee has spent £1.5 millions and its "sales" have been £4.5 billions. This figure is for "press advertising" only.

Two particular campaigns have brought heavy responses, these being War Weapons Weeks and Warship Weeks. Early this year, running along with the committee's continuous advertising programme, will be a series of Wings for Victory Weeks, which is expected to top the records set for previous special campaigns.

Civilian Gasoline Use Down 50%

Supertest Head Reports Current Dividend Covered Comfortably

Sales of gasoline through service stations for civilian motoring in Canada are now about 50% of the volume at this time a year ago, according to J. G. Thompson, president of Supertest Petroleum Corp. He states that industrial business has held up well.

Supertest itself is able to report that "earnings have held up reasonably well and that the dividends declared this year have been covered by a comfortable margin," helped by the fact that rationing did not start until the year was well under way and by rigid economies.

The company this year omitted the extra dividend on its common and ordinary stocks which had been paid recently. This leaves dividends on these two classes at $1 a share in place of $1.25 a share paid for 1941 and 1940 and $1.50 a share for the three preceding years. Supertest reported $3.17 a share earned on its common and ordinary shares for 1941.

Alcohol's Profit Trend Surveyed

Conversion of Plants to War Work Limits Earning Power

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol Co.'s policy will be to pay out in dividends as much of the total earnings as feasible, according to a statement made at the annual meeting of shareholders by H. C. Hatch, director.

The distilleries at Corbyville and Lindsay are now entirely on war work. A plan for increasing the productive capacity has been submitted and is now awaiting government approval.

In respect to earnings, Mr. Hatch said the trend was downward, due to the suspension of civilian production. This has necessitated application of a quota system to markets, as supplies will henceforth be drawn from inventories.

Of the company's total industrial alcohol output some two thirds is for government account and an allowance of 5% on the cost of production does not permit a very large profit, he said. The quota system adopted worked out at about 85% of the 1941 volume and 70% of the 1942 volume.

The McNish subsidiary has the same problem, he said, its current sales being entirely from inventories.

Town of Eastview, Ont., new debentures issued under the recently approved plan of reorganization will be available for exchange Jan. 22, 1943, at the National Canadian Bank, Eastview.

Base Metals Show Strength

Interesting Developments Feature Several "Juniors"

A survey of base metal mining operations across Canada, completed by The Financial Post, shows promising mine developments in the making. The current upward trend of prices can perhaps be attributed to these, as well as to improved sentiment in the market generally.

One of the first base metals to shake off its lethargy was Sherritt Gordon Mines. Intersection of an iron ore body in a crosscut around the 1,000-ft. level at Michipicoten Iron Mines—50% owned by Sherritt Gordon—is one of the important items in the Sherritt picture, confirming as it does previous estimates of this property.

New Ground Near Steep Rock

In the Steep Rock area, Sherritt has acquired a half interest in an iron property near Strawhat Lake, it is reported. A couple of diamond drill holes will be put down in an effort to locate a commercial deposit, it is expected. Last year Sherritt acquired 100,000 shares of Steep Rock at $1.25 a share (current price $1.70) and iron appears to be gradually assuming a more important place in the management's plans. When the search for iron was initiated, efforts were of a patriotic character, but in view of the growing shortage of high-grade iron ore in the United States, chances are vastly improved for profitable shipment of iron ore both during and after the war.

Normetal Crosscutting

Normetal—another strong spot in the base metal market—is approaching the place where ore news may be made. Crosscuts are being run to the main ore body on new levels at 2,150 and 2,600 ft. and, as results on the 2,000-ft. level above were the best secured on any level to date, results on the new block of four levels to be opened at depth could be of first importance.

The labor shortage has tended to retard development at Normetal but it is expected news on new levels will be available by the time of the company's annual meeting. No drilling has been done in advance of the crosscuts. Milling rate is being held at record levels—over 800 tons daily—and output is also the highest in the company's history.

Finishing Waite Additions

The 300-ton addition to the Waite Amulet mill for treatment of zinc ore has now been practically completed and will be placed in operation shortly. Originally planned as a war contribution, considerable revenue may possibly accrue from this addition, due to the bonus prices being paid for zinc in the United States.

Installation of the extra milling equipment to raise capacity from 600 to 900 tons daily is now proceeding at Golden Manitou Mines, Quebec's new zinc-gold producer. Shipments of 100 tons of zinc concentrates daily are being made. This level of output will be substantially increased when new capacity goes into operation. It is understood that consideration is being given to listing Golden Manitou shares on the Toronto Stock Exchange.

Shares of Noranda Mines, International Nickel and Consolidated Smelters have all been strong marketwise but the immediate reason may be improved sentiment in the stock market rather than mine developments. Strength in Noranda, however, may reflect its large gold stock holdings, while International Nickel has just placed new capacity in operation.

Are Metals Running Short?

Mining circles report a growing belief that non-ferrous metal supplies may be much in demand after the war due to depletion of many of the present developed ore bodies. It is pointed out that exhaustion of ore resources has proceeded much further in the United States than Canada. Competition of aluminum and magnesium may be important after the war but for many purposes there are no satisfactory substitutes for copper, lead and zinc.

Mining INVESTMENTS

The upward rise which continues to feature the Canadian market is reviving interest in exploration of new mining properties and "deals" have either been arranged or are projected for a number of companies previously inactive. Base metal projects appear to be favored, but strategic mineral showings — and the odd gold property — are participating in the new interest.

As prices of gold and base metal producers have gradually advanced, there has been a slow but noticeable marking up of share prices of many junior issues. Many companies have been inactive for years, but unlisted dealers say their shares are difficult to buy, except at higher prices.

* * *

More settled conditions and improved relations between management and men have been noted recently in the Kirkland Lake area. Workmen's Councils are now in effect at almost every mine in the camp and are stated to be working well. Mine managements are stated to be living up to the promise of full co-operation with the workers in clearing up employer-employee relations.

Macassa Mines recently joined the other mines which now operate under a collective agreement with employees. Under the terms of its agreement, the Macassa management recognizes the employees' committee as the sole bargaining agent for employees and continues the non-occupational sick benefit fund decided on by employees in June, 1942. All points that might become a cause of friction between the company and the employees are claimed to be covered. The agreement went into effect Jan. 1 and is to continue operative until the end of the war so long as working conditions remain normal.

* * *

Teck Township, of which the town of Kirkland Lake is a part, faces a difficult financial situation due to house property vacancies and reduced revenue from mines. Even if taxpayers paid the same amount as last year, the township would still be short of a balanced budget by approximately $100,000 or about 12 mills, it is estimated.

* * *

Magnesium prices were reduced last week by two cents a pound in the United States by Dow Chemical Co., at the request of the Office of Price Administration.

The United States basic price is now 20½ cents a pound for virgin magnesium metal ingot with alloy prices reduced correspondingly. Reductions in magnesium prices were made possible by economies in production brought about by the increased volume due to war needs, it is stated.

The price of 20½ cents a pound in United States is equivalent to a price of approximately 22½ cents lb. in Canadian funds. There has been a gradual reduction in price in aluminum and apparently history may repeat itself with magnesium.

* * *

Saskatchewan climbed to still further mineral production prominence in 1942. Output climbed no less than $4 millions to $19,613,354—more than the Northwest Territories, New Brunswick and Yukon Territory combined.

The secret of the large mineral output of Saskatchewan is Hudson Bay Mining and Smelting Co. The big item in the increase is stated to be zinc and copper from Hudson Bay Mining and Smelting Co., part of whose mine is located in Saskatchewan with the balance in Manitoba.

Gold production in 1942 was $5,355,648 compared with only $1,746,676 back in 1939.

The Week in Oils

From Our Own Correspondent

CALGARY. — Oil Controller G. R. Cottrelle has appointed a five-man committee of western oil men to advise him on oil production in western Canada, and ways and means of increasing it.

Members are E. H. Hunt, head of the geological and exploration department of McColl-Frontenac Oil Co. at Calgary, chairman; M. D. Kemp, petroleum engineer and member of the Alberta Petroleum and Natural Gas Conservation Board; J. O. Galloway, vice-president in charge of development and production for Standard Oil of British Columbia; J. H. McLeod, president of Royalite Oil Co. and a director of other Imperial Oil companies operating in western Canada; R. A. Brown, Jr., of Brown-Moyer-Brown Ltd. and associated companies.

The Oil Controller has long had advisory committees, drawn from men of experience in various branches of the oil industry, to advise him on such matters as aviation gasoline, refining, and transportation. His office has, however, it is felt, been lacking in advisors on western oil production.

With the oil supply situation increasingly critical, the new committee may be expected to waste no time in studying the needs of the western oil industry, and making recommendations as to steps which should be taken to stimulate development.

Most pressing of the steps that must be taken, according to oil men, are the upward revision of oil prices, reduction of development costs and easing of excessive taxation.

* * *

Montana Crude Higher

Montana crude oil prices have been boosted a further 10 cents per bbl. — second increase in recent months — effective as from Dec. 16. Boost was authorized by the U. S. Office of Price Administration. Cutbank price is now $1.30 and Kevin price $1.10. Commenting on the Montana price boost, the Alberta Petroleum Association indicates that it places Turner Valley crude prices about 44 cents per bbl. below the actual competitive value.

In Oct., 1940, Dr. George Granger Brown made an analysis for the Alberta Petroleum Association, showing that a Cutbank price of $1.10 for 37 gravity oil gave Turner Valley crude a relative value of $1.7411 for 45 gravity oil at wellhead. The Oil Controller granted an increase of 27 cents on July 16, 1941, boosting 45 gravity price to $1.59, 15 cents under competitive value. On the new Cutbank price of $1.30, the A. P. A. uses Dr. Brown's figures to arrive at a current competitive value for Turner Valley 45 gravity oil of $2.037, more than 44 cents above the price level set in July, 1941.

* * *

Sees Taxation Confiscatory

Because allowance is not made, under Dominion income tax schedules, for return of invested capital before levying of heavy taxes on income from oil wells, the Alberta Petroleum Association this week declared that "there will be no public investment in royalty securities until these regulations are changed." Basing its statement on conclusions reached in the recently published W. C. Fares' Report on Turner Valley, the A. P. A. says: "It is apparent that on the average, the investor in primary royalty securities faces confiscation of approximately half his capital under present income tax regulations."

Commenting that the government is as intensely interested in the development of more oil, as are the operators, A. P. A. adds: "Such being the case, it is logical to assume that when convincing facts are presented (the government) will take steps to remove the present bottleneck to investment, now retarding development by the independent operators."

* * *

New Imperial Wells

The Imperial Oil group added three new well-sites to its expanding north Turner Valley extension development programme this week, two on the "east side" area opened up by Major 9 last June, and one adjacent to the Atlas-B.D. 2 and Northclonmel discovery wells on the far north west flank. The three new locations are as follows:

Foothills No. 13, in the centre of L.S.D. 15 27-30-3w5, quarter of a mile due east of the Foothills 9 producer (located on the structure crest), three eighths of a mile southeast of the drilling Calmont-Millarville 1 test, and more than half a mile east and south of Alberta Oil Incomes 1, a "crest" producer that, until the advent of Major 9, was generally regarded as marking the east limit of production. Cellar and foundations have already been completed at this new site.

Foothills No. 16, located just off centre in L.S.D. 13 34-20-3w5, three eighths of a mile southeast of the Major 9 discovery well, quarter of a mile due east of the drilling Home Millarville 14, and quarter of a mile due north of the new Calmont Millarville 2 location. The No. 16 site is a mile north and half a mile west of the new Foothills 13 location.

Northwest Hudson Bay No. 14, located in the centre of L.S.D. 13 8-21-3w5, quarter of a mile south of the Atlas-B.D. 2 producer, the same distance east of the Northclonmel well (now drilling in the lime) and the same distance west of the Northwest H.B. 7 producer. This well is to be drilled under contract by Newell & Chandler, using the rig from newly-completed Northwest-H.B. 11. Work on the site is slated to start immediately.

* * *

Another Shell Test

Shell Exploration (Alberta) will drill its next Alberta well in the Herronton area east of Okotoks and High River, and about 30 miles southeast of Calgary. The initial Herronton well will be in Section 1-21-26w4, with the exact location within the section yet to be determined. Shell is now making a check on equipment suited for drilling (to 6,000-7,000 ft.) at this location, and drilling permit will be taken out and operations started as soon as suitable equipment has been secured. Steam driven rotary would not be suitable, because of scarcity of water in the vicinity.

The Shell-Herronton venture will be the first deep test on the large Crown reservation taken out by Shell in this area two years ago. Geological and seismic survey work was completed on the reservation the past summer and fall. The Herronton block lies just east of the foothills belt, on the west edge of the prairies. The initial well-site is approximately 20 miles east of the New Ranchmen's No. 1 venture, on the Aldersyde structure in the easterly foothills.

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World Oil Output Drops 170.2 Million Barrels

Decline in 1942 From Record Production Level of 1941 Called Biggest in History; War Caused Major Changes

In 1942 the war brought a decrease in production of crude oil which the Oil & Gas Journal estimates at 8%. The drop, 170.2 million bbls. from the all-time high record of 2,227.1 million bbls. in 1941, is called the "most substantial decline in crude oil production in the history of the industry."

In its annual review of the international petroleum picture, the Oil & Gas Journal points out that Argentina, Trinidad and Peru were the only South American countries able to increase output.

Peru, seat of one section of International Petroleum's operations, was aided by shifts in transport policies to save long tanker hauls. These left oil from Peru to supply markets formerly supplied from California along the west coast of South America.

Venezuela Heavy Loser

Venezuela suffered the largest volume loss, due to lack of transportation facilities and not to any impairment of Venezuela's ability to produce oil. No immediate large-scale improvement is expected.

Colombia's production reached a monthly peak of 83,500 bbls. in February and then fell to 6,500 bbls. in October. Both of this country's pipeline outlets open on the Caribbean where more oil is available than can be handled.

Netherlands East Indies suffered the greatest percentage loss in 1942. This reflects the destruction prior to loss of these islands to the Japanese and "it is questionable if the Japanese have been able or have even found it advisable to bring back production."

Russia lost its Mailop field, from which 1941 production was estimated at 17 million bbls. It is said to be doubtful whether Germany has been able to get any worthwhile production from this field. It is suggested that Russia was able to offset much of its lost oil fields by a speed-up of exploration in the Ural-Volga fields.

Most important gains in output are believed to have been in the Near East. Loss of the Far East oil resources necessitated calling on fields in Iran and Iraq to make up requirements in the eastern Mediterranean and other Near East areas.

Comparative estimates for 1942 and 1941 crude oil output, as given by the Oil & Gas Journal, follow:

Estimated World Production
(Thousands of barrels)

	1942	1941	Change
United States	1,385,500	1,404,182	—18,682
U.S.S.R.†	214,000	238,000	—24,000
Venezuela	150,000	228,131	—78,131
Iran	75,600	64,150	+11,450
Roumania	37,800	38,450	—650
Mexico	37,000	42,705	—5,705
Trinidad	27,375	21,150	+6,225
Argentina	23,275	21,765	+1,510
Iraq	14,600	10,000	+4,600
Peru	13,150	11,925	+1,225
Colombia	10,600	24,639	—14,039
Canada	10,450	10,123	+327
Germany*	10,000	9,750	+250
Netherlands East Indies§	9,000	61,000	—52,000
Egypt	8,000	7,800	+200
Bahrein Island	7,800	7,070	+730
Saudi Arabia	6,000	5,750	+250
Hungary	4,400	3,300	+1,100
Japan▪	3,800	3,800	......
Burma	2,500	7,900	—5,400
British India	2,500	2,245	+255
Ecuador	1,800	1,560	+240
Italy▴	1,350	1,350	+100
Bolivia	300	275	+25
Others	200	205	—5
Total	2,056,900	2,227,125	—170,225

*Includes Austria, Czecho-Slovakia, Poland, France.
§Includes Sarawak, Brunei.
▪Includes part of Sakhalin, Formosa.
†Includes part of Sakhalin.
▴Includes Albania.

C. P. R. Revenues At All-time Peak

MONTREAL.—Canadian Pacific Railway's income from traffic operations in 1942 reached a figure of $256.8 millions, a gain of 16% over 1941 and the highest level in the history of the company.

The previous record was established in 1928 when gross traffic earnings totalled $241.9 millions. At the bottom of the depression—1933 — gross operating income slumped to $114.3 millions.

See U.S. Gold Restriction Policy Being Modified

Earlier Decision Softened to Plan Closely Resembling That of Canada — Development Arrested But Production Continues

By ROBERT T. ELSON

WASHINGTON. — Western gold-mining interests this week proposed a full-dress Senatorial investigation of War Production Board orders restricting gold production.

Although the effect of the original W.P.B. order which would have shut down most of the primary gold producers in the United States has been modified through a series of appeals, Senator Pat McCarran of Nevada introduced a resolution calling for a Senate investigation on the first day of the new Congress. It calls for appropriation of $25,000 to conduct the hearings.

Meanwhile the important American gold mines have been given a general reprieve including the famed Homestake in South Dakota, one of the world's great producers. Observers close to W.P.B. inner circles expressed the belief this week that in view of the present situation few steps would be taken further to curtail the American gold production.

"Go Slow" now appears to be the order of the day.

Interest Revives

Meanwhile there have been signs of a revival of interest in the postwar place of gold in the international economy. Although there is one school of purely utilitarian economists here who feel that "end use" and managed currency should replace gold in the postwar economy, others point out that the use of gold for measuring international exchanges is far from finished. A few hard-shelled conservatives have had a laugh at the expense of the "managed currency" brain trust by pointing out that the Arabs of North Africa were more impressed with Canadian-minted gold coins than they were with American dollar bills.

Curiously enough, most commentators overlooked a significant observation by one of the men who has written so many of the New Deal policies, Adolph A. Berle, one of the assistant secretaries of state. In a speech delivered at Birmingham, Alabama last fall which dealt with some aspects of postwar planning, Mr. Berle spoke of the Federal Reserve mechanism in the United States as providing a pattern that might be useful in establishing a medium of exchange for the nations after peace.

This, he added with particular significance, would not prevent a return to the use of gold as a medium for international payments.

Meanwhile indications are that Washington authorities will not press further on their gold limitation orders. New development will be discouraged in favor of base metals but current production will not be limited. There is no move whatever to change the Treasury policy which makes the United States the prime purchaser for all gold offered on the open market.

Grull Control Being Contested By Two Groups

From Our Own Correspondent

VANCOUVER.—Struggle for control of Grull Wihksne Mines' liquid assets and other holdings, including the promising "Blue Eyes" tungsten property, has provided mining and stock exchange circles in British Columbia with the liveliest controversy in recent years. The struggle is far from over, it is indicated, with a new meeting of shareholders called.

Two groups are competing for mastery of the company's affairs and at the recent annual meeting the old board, headed by W. C. Ditmars, who is also president of Bayonne Consolidated, was unseated by a faction headed by G. L. Fraser, Vancouver lawyer and large shareholder, William Genser and others.

A Close Stock Count

Although a majority of those at the meeting favored the Ditmars board by show of hands, a poll of proxies showed 729,000 shares were for a shakeup, compared with 604,000 shares held by those who were satisfied with the old administration.

The day after the "coup" a new board headed by W. J. Asselstine, former provincial Minister of Mines, and C. E. Marr, president of Sheep Creek Gold Mines, was installed, the other directors being H. J. Lynch, G. L. Fraser, John Grull, J. P. Fraser and Frank Van Waas. They replaced Ditmars, A. J. B. Fell, Leon Ladner, W. L. Macken, W. C. Mainwarning, G. Nelles Stacey, C. J. White, J. C. McPherson and R. L. Morrow.

The stakes are the liquid assets of Grull Wihksne and its associate companies, including Bayonne Consolidated, amounting to some $139,000, and the Blue Eyes claims recently acquired under option, which are reported to have been sought by representatives of some of the largest operating companies west of the Rockies.

Meet Within 21 Days

The new Grull board has challenged the right of the Ditmars group to continue in charge at Bayonne, but Mr. Ditmars has defied them and he is supported by a group of shareholders who have taken advantage of the Companies Act by calling a new meeting within 21 days at which the strength of the rival groups will again be tested.

A. N. Wolverton, president of the Vancouver Stock Exchange and largest single shareholder in Grull, states that the Blue Eyes claim is considered as promising as the Emerald mine, now being operated by the federal government, which is reported to have paid out $100,000 already and has undertaken to pay $350,000 additional by way of royalties on production. Emerald is the most important single scheelite deposit in Canada.

Make Test Shipments of Manitoba Chrome

Second Consignment of 200 Tons Scheduled to Go Forward From Bird River to Ottawa Shortly — Hope to Overcome Ore Drawbacks

The first test shipment of chrome ore from the Bird River deposits in Manitoba went forward to Ottawa last week and thorough investigation of the commercial possibilities of the ore is expected to get under way in Bureau of Mines laboratories almost immediately.

Initial shipment comprises 100 tons which was taken from the Hudson Bay Mining & Smelting Co. property. A second shipment, from the God's Lake-Gunnar Gold projects, will be forwarded to the Bureau of Mines laboratories shortly. It will total 200 tons. Material may also be shipped to some industrial plant for further investigation, it is stated.

Tonnage possibilities revealed by surface exploration and diamond drilling in the Bird River area are interesting but ore grade is low and the iron-chromium ratio is detrimental to wide use. Metallurgists believe there are good chances of overcoming these handicaps, however, and Chromium Mining & Smelting Co. is known to use similar low grade chrome ore with a higher iron content than is usually accepted.

May Use Concentration

It is thought that the ore might be concentrated near the deposit—to reduce freight charges—with only concentrates shipped to the consuming centres. It might also be possible to produce ferrochrome or "Chrom-X," the two chromium elements used in alloying, still further reducing freight costs. Ample power is stated to be available for quite extensive operations, with a power line close to the deposits.

The new finds of chrome ore lie in a narrow belt of dark rocks a few miles north of and paralleling Bird River. The area is reached from Great Falls, on the Canadian National Railways. Chrome discoveries have been made over a wide area and the work completed since last year is said to have demonstrated that ore values extend to depth.

Department Store Sales Climbing

At $34.5 millions, November sales of Canadian department stores were 20.5% higher than the $28.6 millions total for Nov., 1941. Sales were 5% better than in October. Sales in the first 11 months of 1942 averaged 14% greater than in the same period of 1941. The Dominion Bureau of Statistics unadjusted index on the base 1935-39 equals 100, stood at 189.9 for Nov., 1942, 181.9 for October and 155.4 for Nov., 1941.

Breakdown for the month shows that although sales of hardware and of household appliances gained only 1% and 5% respectively, increases of 37% in sales of radio and music departments, 36% in sales of furniture departments and 27% for home furnishings were among the largest reported for various departmental groupings. Sales of women's clothing and apparel increased 26%, while men's clothing sales were 21% higher. Footwear sales climbed 10% above Nov., 1941.

Air Group Study Postwar Picture

Postwar trends and plans are now being studied actively by the Air Industries and Air Transport Association, an outgrowth of the old Air Transport Association. Representing Trans Canada Airlines, Canadian Pacific Air Lines and various branches of the aircraft manufacturing industry, the association has laid down a continuing programme. Attention has already been given to domestic and international air routes. The place which the Canadian aircraft industry will occupy in the after-war period is now being studied.

Labor Famine Hits Quebec Mining

Several Products Show Lower Output For November, 1942

Apparently due to the increasing shortage of labor at many mines, production of a number of minerals showed a decrease in Quebec during November, the monthly bulletin of the Quebec Bureau of Mines discloses.

The bulletin covers gold, silver, clay products and cement, reports an increase for silver only. "The output of gold, clay products and cement are notably lower and the clay products production slightly decreased," the bulletin notes. Gold output for November was 84,050 oz. compared with 94,608 oz. the month before, while the value of clay products decreased from $218,143 to $190,782.

Outputs of gold, lime and clay products, however, all showed increases for the first 11 months of 1942 compared with the corresponding period of 1941.

B. C. Seeking New Industries

Steel Mill and Copper Smelter Regarded as Logical Objectives

From Our Own Correspondent

VANCOUVER.—British Columbia business and industrial interests, hoping to perpetuate some of the payrolls that have skyrocketed in this west coast province since the war gave new impetus to shipbuilding, are pressing for establishment of a steel mill and a copper smelter here.

An active campaign for a steel mill is being launched by the Vancouver city council and Mayor J. W. Cornett has announced that this objective will rank as No. 1 for the coming year. The plan is to provide a modest plant at first to utilize steel scrap, later to be expanded into a fully integrated mill such as Henry J. Kaiser has recently opened at Fontana, Cal., the first of its kind on the Pacific coast.

Businessmen claim that British Columbia cannot afford to overlook the recent advances made in copper research, and that for a small outlay it would be possible to make real headway toward establishment of a copper smelter on the Canadian side.

The fact that British Columbia is known to possess some large deposits of iron ore and suitable coking coal as well as ample waterpower and limestone, and also two of the largest copper mines in the Pacific Northwest is used as the principal argument for more permanent development of the steel and copper industries here.

At present all deposits of iron in the province are idle.

Minneapolis, St. Paul & Sault Ste. Marie Railway Co., controlled by the Canadian Pacific Railway, reports net earnings of $183,160 for November. This compares with $136,394 for the same month in 1941. The returns are after fixed charges. Net income for the 11 months' period ended Nov. 30, 1942, totalled $3,484,655 as against $2,875,330 for the like period in 1941.

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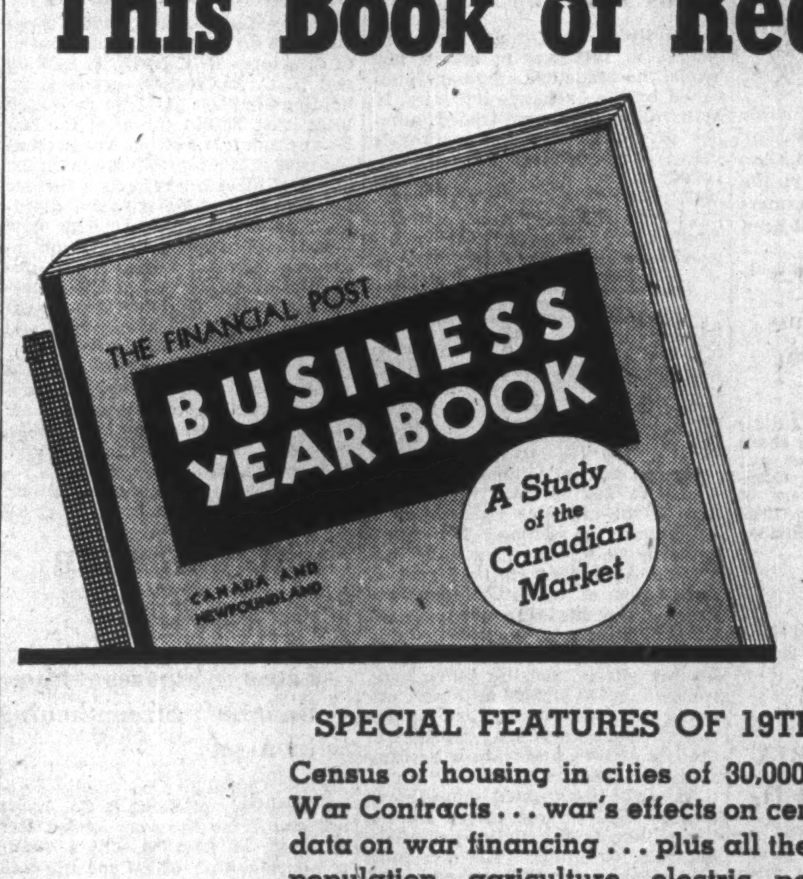

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What's Going on at Eldorado?

Latest Crop of Rumors Discounted by Management

By GORDON M. GRANT

Always a "mystery" stock, the recent rise in Eldorado shares has been even more prolific of rumors than is usual.

What can be stated, The Financial Post learns, is that Eldorado sales have been higher in 1942 than in 1941. "It is true that 1942 was a better year for volume but what industry hasn't had a larger volume under the stress of war conditions when raw materials and labor could be secured?" is the way an official describes the situation.

Taxes, increased expenses, etc., will make inroads into the extra sales revenue realized in 1942 and from an earnings standpoint, the increase in sales revenue is not regarded as particularly significant.

Mine at Capacity

Operations were scarcely "normal" in 1942 because conditions change rapidly in wartime; Eldorado was no exception. Sharp changes have been experienced and the company had the major job of reopening its mine at Great Bear, far off the beaten path for mining operations.

Fortunately, an adequate supply of labor has been available at the mine and operations there are being conducted at full capacity just as they are at the refinery. While plant and mine were in good condition actual reopening cost $750,000. Details on how this money was spent probably won't be released until the annual report is sent forward to shareholders.

Marketing Takes Long Time

Milling at Great Bear was resumed last April after a two-year shutdown but it takes 18 months for concentrates to reach the Port Hope, Ontario, refinery and the new flow of production won't reach its destination until next fall. After that, concentrates will have to be processed before there is any return to the company for its outlays.

Reserves of ore at the mine totalled over $9 millions when work was suspended in 1940 so further ore needn't be a problem for some time to come, it is indicated. Due to war conditions it is not thought likely that any great emphasis will be placed on exploration beyond maintaining the current mine position.

How Demand Shifts

There has been a considerable shift in the character of the demand for the company's products. Doctors aren't buying so much radium now, but there has been an increased industrial usage of radium offsetting this — chiefly for luminous airplane dials and radiography (used for detecting flaws in metal). The company itself doesn't know the full story of increased industrial use.

A marked change has also taken place in consumption of uranium which competes with radium as the chief product. Uranium is not now so widely utilized for coloring in the pottery trade, but is finding increased but secret war uses.

U-235 Moves Slowly

Research on U-235 — widely heralded as a power source a few years ago—is proceeding slowly, it appears. The new element apparently isn't a factor as far as current sales are concerned and isn't likely to become a factor unless a technique can be worked out for producing it commercially. While the element has been isolated scientifically, it has been in very small quantities—often in amounts not more than sufficient to set off a mouse trap.

Eldorado ores are a "mineral museum" and, theoretically, there are many ways in which the large number of elements present could be used. But there is a big gap between potential and practical uses. The company and others are carrying on some research but it is not the kind of thing to make news in a hurry. It might be compared to the research work on a refractory type of ore; work that might proceed for 20 years before a final solution to the method of treatment might be found.

Must Build Finances

Earnings of Eldorado in 1941 were $167,319, equal to 4.3 cents a share compared with $50,091 or 1.3 cents share in 1941. Working capital at the end of 1941 was $1,275,054 with much of the current indebtedness of previous years out of the way. With reopening of the mine costing $750,000, it appears the company has had considerable calls on its working capital and that any current improvement in earnings should not be expected to be reflected by dividend distributions in the immediate future.

Of necessity, Eldorado must keep large inventories of concentrates and finished radium on hand and the company will probably want to see a fair cash position before giving any consideration to dividend distributions. The supply of concentrates on hand may not show much change for 1942 but these may start building up in 1943 as mine production continues.

Rumor Runs Riot

As far as the management is aware, none of the recent rumors — their number is legion — has much basis in fact. One "explanation" offered for the strength in the shares has been a story that a "new metal" has been discovered which will be of importance to the company. Another was that Detroit interests have become substantially interested. A third was that "the Belgian radium interests" had purchased control. A fourth story had Detroit interests selling out to U. K. interests.

The "new metal" story apparently arose from the isolation of element "85" from radium, as reported from Berne on Jan. 6. This element, the last in a list of 10 radio-active elements, may be ultimately important to Eldorado but is of no current significance, it is stated. It definitely isn't regarded as a logical explanation for the marked strength in Elorado shares.

Detroit interests may have purchased an interest in the company but according to the management's knowledge of the distribution of the stock, it appears unlikely that more than 100,000 shares of stock could have changed hands—if a transaction actually did take place.

Detroit interests may have sold some stock to English interests but this appears unlikely due to the close control over security investment exercised by United Kingdom authorities. There is very little stock held in Detroit anyway.

The Eldorado management does not hold over 51% of the stock of the company but they either own or know where sufficient stock is to make it unlikely that any transaction running into hundreds of thousands of shares would be completed without their knowledge. Brokerage sources say that the buying of Eldorado shares may have been coming from Montreal.

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Reparations' Status Important to Bulolo

Company's Engineer Buries $175,000 of Gold in the Jungle — Airfields Were Destroyed and Dumps Fired Before Evacuation

When the Japanese invaded New Guinea, a thorough scorched earth policy was applied at the properties of Bulolo Gold Dredging, in which Canadians hold a substantial interest, "Australia" the monthly bulletin of the Australian News and Information Bureau at New York reports.

Bulolo should expect to receive reparations for its scorched earth policy after the war, Toronto lawyers suggest. But the final terms of the war settlement and the extent to which it is decided to make Japan pay for the war will be important in determining actual compensation Bulolo may receive, it is pointed out.

One of the factors which complicates the situation is that the damage was done by civilians and not by the military auuthorities of either Australia or Japan. If the damage was done under order of military authorities, however, lawyers say that it should rate just the same as any other military damage.

From details available, damage to Bulolo facilities is extensive.

G. M. Carr, Bulolo engineer, used 60 cases of explosives to destroy bridges, cranes and machinery that might have been useful to the Japanese. The airfield hangars and fuel dumps were also wrecked and fired, it is revealed.

Has Money to Re-equip

The Bulolo properties lie in from the Jap-held coasts of Lae and Salamau and can only be reached by airplane, it is stated. All the heavy dredging equipment previously used was freighted in by air. While equipment has been destroyed, the company is understood to have sufficient liquid assets available to allow complete re-equipment of the properties when this becomes feasible.

Previous reports had told of $175,000 of gold at Bulolo being lost to the Japanese. Mr. Carr reveals that the gold was buried in the jungle and has been kept from the Japanese. If the Japanese have learned of the burying of the gold, they may start on a treasure hunt but the gold is considered to be safe.

Area May Be Freed

With the liquidation of Japanese forces at Buna and Gona, the Salamau-Lae area becomes the next logical objective for attack. If this area is freed of the Japs, it appears that Bulolo will be able to salvage its $175,000 of gold. There seem to be many reasons, however, why Bulolo is not likely to be able to reach production until the war is over, or at least not until the destruction of Axis power is well advanced. A labor shortage has developed in Australia and it is doubtful if an adequate crew could be brought together. Even if authorities agreed to production being resumed, there would still be the very difficult problems of securing equipment, airplanes, fuel oil and supplies.

Hi-Test Changes Drilling Plans

Acts to Secure Better Success After First Two Wells Prove Dry Holes

With the first two wells of a five-well programme in the Taber area proving "dry holes," Hi-Test Petroleums has made new plans which officials hope will bring better results.

The company has arranged with Standard Oil of B. C., which holds the successful Taber well—largest producer in Alberta outside of Turner Valley — to take over 620 acres of new acreage under a scheme which will allow drilling of offsets to the Standard well.

Third Well an Offset

The third well in the Hi-Test drilling programme will now be put down 1,400 ft., to the southwest of the Standard well. Due to its close proximity to the producer, it is felt a better than average chance exists of securing a good well.

Following drilling of the third well, a fourth well will be put down about 1½ miles away, where Standard geologists are reported to consider there are favorable prospects of getting oil production. If the fourth well should be unsuccessful, and the third well prove a producer, the company plans to move the drilling rig back and put down its fifth well next to the No. 3. It is believed it will be allowed to put down wells with a 20-acre spacing.

Berens River Mine Output Moves Up

Wendigo Production is Also Higher For Month of December

From Our Own Correspondent

WINNIPEG.—Berens River Mines, Favorable Lake, northwestern Ontario, reports December production, from 6,950 tons milled, of 2,782 oz. gold and 56,970 oz. silver, having an estimated value of $134,881. In addition there were 73.5 tons of concentrates of an average value of 70% lead, .08 oz. gold and 77.5 oz. silver per ton.

This compares with November tonnage milled of 6,230 tons, from which was recovered 2,661 oz. gold and 39,983 oz. silver for an estimated value of $121,936. In this month there were 74.5 tons of lead concentrate with an average value of 72.26% lead, 0.079 oz. gold and 73.96 oz. silver per ton.

December production at Wendigo Gold Mines, Kenora district, was $67,954 from 2,012 tons milled, an average of $33.78 per ton. November tonnage was 2,485 tons from which was obtained $63,494, an average of $25.55 per ton.

Montreal Tramways Co. reports revenue passengers carried in 1942 totalled 319,398,324. This represents an increase of 55,826,536, or 21.18%, over 1941. Statistics for the last three months of the year show that approximately 25% of the total increase in passenger carriage for the year occurred in the last three months of the year when 14,701,894 more passengers were carried than in the like quarter of 1941.

Mining Concentrates

Armistice Gold Mines is negotiating a contract for diamond drilling its property in the Larder Lake area adjoining Kerr-Addison Gold Mines to the west. It is proposed to put down drill holes to depths of 1,000 ft. for deep exploration of the narrow claim immediately west of Kerr-Addison which the company thinks will cover any extension of the Kerr-Addison zone. Previous drilling to 500-ft. depth revealed geology similar to Kerr-Addison, it is stated, together with some low gold values below ore grade. Permission has been secured from owners of adjacent property which will allow carrying the holes to 1,000-ft. depth. No difficulty is anticipated in securing a permit for the drilling from the Metals Controller's department in Ottawa, it is stated.

* * *

Bidgood Kirkland Gold Mines completed an agreement with Wilmington Traders on Jan. 5, 1943, by which a block of 100,000 shares was underwritten at 10 cents a share, payable $5,000 in cash which has been paid and $5,000 in 30 days. A balance of 118,285 shares was optioned at 11 cents a share, exercisable 50,000 shares in 90 days, 50,000 in 120 days and 68,285 shares in 180 days. Issued capital is 3,781,715 shares, leaving 218,285 shares unissued.

* * *

Bayshore Zinc & Copper Mines was incorporated with an Ontario charter on Dec. 18, 1942. Authorized capital is two million shares of $1 par value. Head office will be in Toronto.

* * *

Bayonne Consolidated option on its "Blue Eyes" tungsten group calls for an option price of $85,500. There was a payment of $1,650 on Dec 15; $2,800 is due on March 1, $4,900 on May 1. On Nov. 1, $8,350 is due with similar payments every six months thereafter until the total is paid. A royalty of 5% of net smelter returns is also payable.

* * *

J. P. Bickell, president of McIntyre-Porcupine Mines recently gave $5,000 to a Timmins hospital for installation of special X-ray and other equipment.

* * *

Kerr-Addison Gold Mines has completed its shaft to a depth of 2,825 ft. Sinking has been discontinued until labor becomes more plentiful and preparations are being made for opening and mining the new deep levels below 1,450 ft.

* * *

Majormica Mines is adding considerable equipment at its property near Sydenham which is expected to allow an enlarged production programme. Work has been under way for some time.

* * *

Ontario Nickel Corp. listing application for the Montreal Curb Market shows 4,454,408 shares issued including over 1.9 million shares sold this year at prices of 5.25 to nine cents a share. The listing statement reveals that, under the purchase agreement for the Moose Lake property, a royalty of one to two cents per pound of contained nickel is called for. The purchase price is $100,000 payable $2,000 on or before Jan. 18, 1942, $1,000 by March 18, 1942, and the balance $1,000 monthly on or before the 18th day of each month. Balance sheet as at August 31, 1942, shows current assets of $6,163 against current liabilities of $10,096.

* * *

O'Brien Mines, Highridge Mining Co., and North American Molybdenum are reported to have jointly acquired 14 claims in the Fort Hope area, Albany River district, adjoining the Dome ground upon which important showings of scheelite have been reported. The O'Brien crew flew in shortly after the freeze-up as did the Dome crew.

* * *

Obaska Lake Mines has been incorporated with a Dominion charter, current edition of the Canada Gazette reports. Authorized capital is three million no par shares.

* * *

Reeves-MacDonald annual meeting held at the end of last year was routine in character. Shareholders were not informed of any immediate intention to develop the property.

* * *

St. Anthony Gold Mines is reported to have found scheelite on its property in the Sturgeon Lake area. The gold mine has been closed down for some time but as a result of the new tungsten showings, a number of claims are stated to have been staked in the same general area.

* * *

Selkirks Tungs-Tin Mines has been incorporated with a Dominion charter. Authorized capital is five million no par shares. The provisional directors represent Vancouver interests.

* * *

San Antonio profits for 1942 are understood to have approached 30 cents a share compared with 22.8 cents a share in 1941.

* * *

Toronto C.I.M.M. hold the first of its new regular monthly meetings, Wednesday, Jan. at the Engineers Club, Bay St., Toronto.

La Luz Boosts Cash Position

Earnings Lower as Depletion Charged — Aid War Metal Hunt

While production showed a rise close to $240,000, net profits of La Luz Mines showed a decrease to $908,765 in the year ended Sept. 30, 1942, compared with $1,196,718, due partly to an entry of $130,838 for depletion in the 1942 fiscal year. Earnings were equal to 65.8 cents a share against 88.3 cents a share in 1941.

Reflecting the substantial operating profits realized and the fact that no dividends were paid during the period, working capital rose nearly $500,000 to $1,216,856, at Sept. 30, 1942.

Tonnage Higher

During 1942, 436,125 tons of ore were milled with recovery of 80,214 oz. of gold and 37,880 oz. of silver compared with 367,135 tons of ore and 73,033 of gold and 34,079 oz. of silver recovered the previous year. Owing to delays in receiving supplies, shipping difficulties, etc., the company since Oct. 1, has decided to reduce milling rate from 1,200 to 1,000 tons daily.

Increased difficulties in maintaining the operating level of 1942 are seen in report of the Managing Director M. B. Huston (now deceased) due to war difficulties but President Thayer Lindsley states "authorities at Washington have generously recognized the essential part that the La Luz mine plays in the economy of Nicaragua and have also appreciated the important contribution that this company is making in the search, development and production of vital metals, as well as rubber, for the war effort."

Through Frobisher Exploration Co. and Panaminas Inc., a wholly-owned subsidiary, numerous war metal deposits are being placed in production or investigated.

The company has dropped its Topaz option and suspended work on its El Potosi ground.

Income and Surplus Account Years Ended Sept. 30

	1942 $	1941 $
Bullion production	2,790,862	2,553,875
Less: Marketing	64,696	48,761
Net production	2,726,166	2,505,114
Less: Mining	370,463	215,944
Milling	505,865	437,456
Gen. & admin. exp.	249,663	229,384
Adm. exp. ex Nicaragua	78,211	72,736
Odysseus oper. exp.	8,658	......
Net earnings	1,513,306	1,549,594
Less: Depreciation	277,832	180,001
Def. development	87,225	73,427
Depletion	130,838	......
Nicaragua taxes	108,646	99,448
Net profit	908,765	1,196,718
Add: Prev. surplus	1,650,703	594,174
Less: Panaminas expl.	32,324	20,000
Topaz option w/o	28,786	......
Overhead adjust.	......	114,589
Other items	......	6,000
Surplus forward	2,498,358	1,650,703
Earnings per share and dividend record:		
Earned	$0.658	$0.883
No. of shs. outstanding	1,380,920	1,355,920
Working Capital		
Current assets	1,388,848	1,247,313
Current liabilities	171,992	517,171
Working capital	1,216,856	730,142

Does Your Engineering Insurance Include the *TROUBLE FINDER?

Do you get two things when you buy engineering insurance?

Of course you get insurance indemnity to soften the blow if accident does occur.

But do you also get accident *prevention?*

When you insure your power and pressure equipment with The Boiler Inspection Company you get both these things.

The Boiler Inspection Company *specialises* in engineering insurance. It believes that prevention is better than cure. Therefore it maintains a highly trained field force of competent trouble finders whose function is to spot possible accident causes before accident occurs.

The protective service of this force is part and parcel of a Boiler Inspection Policy. It has spotted and removed many thousands of possible accident causes.

It is a reason why more than 50 per cent. of all engineering insurance premiums paid to 23 companies writing this type of business in Canada is paid to The Boiler Inspection Company.

Discuss your engineering insurance with your agent or broker with these facts in mind.

Who is the *TROUBLE FINDER?

The Trouble Finder symbolizes the idea that prevention is better than cure. This idea is the dominant idea in engineering insurance written by The Boiler Inspection Company.

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"SURE ... I'M STILL INTERESTED IN TELEPHONES!"

"In case you don't recognize me, I'm Bill Smith, the man who installed your telephone. That's a long time ago now — but I'm still mighty interested in telephones. You see, I know how important they are when you have to get things done in a hurry. And that goes double in wartime. The men over here know you'll keep those lines clear for the Big Job."

Long distance lines—especially those to war centres—are heavily loaded. Since further extension of facilities is ruled out by material shortages, it's up to every telephone user to see that war messages get *first* call.

So please follow the suggestions shown at the right. And above all, make only essential calls on those routes which you know by experience to be congested by war business—and be brief,

CLEAR TELEPHONE LINES FOR URGENT WAR CALLS

On Active Service — Giving Wings to Words

Buy War Savings Stamps and Certificates Regularly.

HERE'S HOW YOU CAN HELP

On Local Calls

1. Be brief . . . clear the line for the next call.
2. Consult your directory before you call "Information" for a number.
3. Urge your family — especially its younger members — to avoid unnecessary calls.
4. Be a "good neighbour" to the family which shares your party line.

On Long Distance Calls

1. Avoid all unnecessary calls.
2. Whenever possible, use off-peak hours: before 9 A.M.; 12 noon-2 P.M.; 5-7 P.M.; after 8.30 P.M.
3. Plan your conversation before you lift the receiver — you'll save time and expense.
4. Call by number whenever you can.

These things may look trifling, but on 6,300,000 daily telephone calls, they are very important.

WITH ACCOUNTANTS

W. A. McKague, Toronto consulting economist, has been appointed secretary-treasurer of the Dominion Association of Chartered Accountants, succeeding the late Austin H. Carr.. The Association co-ordinates the work of the Institutes of Chartered Accountants in each province.

Farm Talks Progressing Favorably

U. S.-Canada Programme Aims at Fewer Barriers to Optimum Output

Special Correspondence

WASHINGTON.—Although the new Canadian-American agricultural accord between Minister of Agriculture James Gardiner and Secretary of Agriculture Claude Wickard is largely in its formative stage, it will have important effects on Canadian agriculture—if the war lasts for another two years.

For one thing it seems to guarantee continuance of the phenomenal cross-border flow of coarse grains, as both countries seek to increase livestock production. A year ago Canada started to reduce wheat acreage and improve coarse grains. Now, with feed demand rising, there appears in prospect a steady market here.

In the official announcement of the accord there was emphasis on the fact that there would be an effort to increase the flow of certain foods from Canada, rather than from the United States, to Great Britain. This means Canada will assume an even greater importance as a primary producer for the British market. What it means specifically, however, is difficult to appraise. But one instance cited by an informed source was that Canada would continue to produce edible beans for the British market, rather than shift more acreage into the soy variety, which are mainly used for industrial purposes.

American experts pointed out to Canadian officials that the United States was in a better position to produce soy beans than Canada, while the Dominion farms are better able to supply British needs. Similarly there are indications that flax acreage may not be expanded beyond present production. Canada now produces 17 million bushels with crushing facilities for only six million. The surplus must be shifted across the line where production of similar sources of fats and oils is being expanded to make up for the loss of source crops in the Dutch East Indies and other tropical islands occupied by the Japanese.

Equally important were discussions about the shift of manpower. A year ago the Canadian-American joint economic Committee — which has largely passed out of the active scene—recommended that Canadian labor be shifted to the American farms and progressively moved north with the crops irrespective of the international line. This scheme looked good on paper but never quite worked out last year.

Next year, however, may well see a pooling of Canadian-American harvester crews and machinery. They will start work perhaps in the Kansas and Dakota fields moving north with the sun. Such an operation would relieve the heavy pressure on farm labor expected down here, guarantee adequate harvesting arrangements in districts where essential crops are being produced.

The general agreement as now formulated does not appear to interfere with Canadian commitments for Britain. But Food Administrator Wickard has as much interest in seeing that Canadian food goes to Britain on schedule as he has in maintaining his own Lend-Lease commitments. Every pound that Canada ships overseas helps the United States.

It is likely as more of Canada's heavy cattle particularly the larger three year old beeves shape up ready for marketing next year that Canadian shipments to the U. S. will at least fill all the quotas allowed under treaty. The United States is consuming more beef than ever before in its history is willing to pay handsomely for whatever Canada can spare.

This little piece of Copper has done it's bit....

IT HAS BEEN TO WAR! It was picked up on Regent Street, London, by an official of Noranda Mines serving overseas. It's the fragment from the driving band of an anti-aircraft shell. It attacked a German air-raider in the big blitz! Canadian copper is fighting on every front—in the air, on the land and sea. Our winning effort must not falter—men and metals must be backed by *money!* This little piece of copper has done its bit—*how about you?*

Buy WAR SAVINGS CERTIFICATES Regularly

NORANDA MINES, LIMITED

Further Curtail Use of Paper

Further curtailment of the use of paper in commercial printing, manufacture of converted paper products, and the packaging of food, wearing apparel, gifts and other merchandise in the United States, has been ordered by the War Production Board.

Simultaneously, because of the labor shortages and an expected decline in domestic production of wood pulp for paper, the W.P.B. revised its method of controlling paper output to permit expanded production of grades containing waste on non-fibrous material, pending a balanced reduction in other grades.

The new orders round out an overall programme of control in preparation for several months. Two earlier directives cut the use of paper by newspapers and magazines about 10%.

Eau Claire Mica Gets Buyers

With the quality of its product proved, Mica Consolidated Mines reports that substantial orders have been received for manufacture of condenser film out of Eau Claire white mica and that arrangements have been completed with the Metals Reserve Co. to ship to the United States all other strategic grades of mica produced, "at very remunerative prices."

The company reports that it can now supply all Canada's requirements of strategic condenser film from the white muscovite mica of its No. 1 vein, which is stated to be comparable to India mica. This is stated to be the first discovery and manufacture of this type of mica in Canada. It is said to be the highest grade and highest priced mica. The price agreed on for its sale is stated to assure a profit.

Marketing arrangements with the Metals Reserve Co. for other grades of strategic mica are reported to call for prices ranging from 75 cents a pound for clear knife-trimmed mica sheets one inch by one inch to $12 per pound for sheets 10 inches by 12 inches. Corresponding prices of 30 cents a pound to $4.80 a pound will be paid for stained mica. Prices are f.o.b. Bonfield, payable in U. S. funds.

Additional machinery has been purchased for deeper mining and plans are under foot to expand operations on No. 2 and No. 3 veins.

Porto Rico Railway Again Expropriated

Porto Rico Railway Light & Power Co., a subsidiary of Porto Rico Power Co., which in turn is controlled by International Power Co., has again been expropriated by the U. S. Federal Government under the War Powers Act. This has been done despite a recent ruling of the First Circuit Court of Boston, nullifying the previous expropriation by the Federal Works Administration on behalf of Insular Authorities.

Attorneys of the F.W.A. have been considering an appeal against the Boston Court ruling in the United States Supreme Court, it is stated.

U. S. Woodpulp Stocks Decline in November

Stocks of purchased wood pulp as reported to the American Paper & Pulp Association for Dec. 1 showed a decrease from those of the preceding month. Total stock of that date amounted to approximately 249,000 tons, a decrease of 16,000 tons from the Nov. 1 figure.